THE NEW REPUBLIC

A Journal of Opinion

VOL. LXXXXVI NEW YORK, WEDNESDAY, AUGUST 24 NUMBER 1238

Germany Maneuvers

August 15 has come and gone without the outbreak of the threatened war which some prophets expected Hitler to inflict on a harassed world. But the German army is, in effect, mobilized; this year's maneuvers, which began on that date, are on a grand scale. They include hundreds of thousands of reservists and much material requisitioned from the civilian population. It is difficult to know what else Germany would do to prepare for the beginning of war, if she expected it. Her neighbors are watching her activities with eyes like those of an animal which is being stalked. They do not want to betray fear, or even undue concern, since they are aware that one of Hitler's motives may be to gain advantage by over-awing them. There is a distinct impression in the writing of the news that authorities desire the danger of the situation to be played down. Nevertheless her potential victims are missing no sign of a possible leap into action. As long as the maneuvers last and the Czechoslovak-Sudeten question is not settled, Europe will be tense. It would be wholly unlike Hitler if he did not use his military display and the presence of Runciman in Prague to try to gain his next objective.

Military Survey

In China the Japanese drive for Hankow is still stalled a few miles above Kiukiang. Its lack of progress is doubtless due to floods and to the withdrawal of troops for the Siberian frontier. One cheering report was (for the first time) a circumstantial report of injury inflicted on Japanese gunboats by Chinese batteries. If true this represents an improvement in Chinese artillery practise which has been badly needed, as throughout the war their guns have been but little help to an infantry deserving of better support. In Siberia, the truce between Russia and Japan in the Changkufeng area seems an uneasy and sullen affair, and Tokyo reports that it may not last long are perhaps not unduly pessimistic.

In Spain the Rebel drive for the Almaden mercury mines has apparently compelled General Miaja to detach troops to reinforce that sector, at the expense of his offensive toward Teruel. The loss of Almaden would be a serious blow to the Loyalist economy, since a considerable revenue is derived from mercury exports. It is a difficult sector for the Loyalists strategically, since they are dependent on a single long and tortuous line of communications via Ciudad Real, while Queipo de Llano is far better served by a rather extensive network of roads and rails. On the Catalan and Mediterranean fronts there was little activity during the week, save for repeated air raids on Valencia and Alicante, during which further injuries were inflicted on British shipping and at least one English seaman was killed.

Tom Girdler's Mistakes

Tom Girdler, chairman of the board of directors of Republic Steel, has had his day in court before the La Follette Civil Liberties Committee. He admits, in the long and pious statement prepared for the record, that his company made "some mistakes" during the "Little Steel" strikes of 1937. He neither condones nor justifies "reprehensible acts" Republic Steel may have committed. But the clear implication of his message is

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Entered as Second Class matter, November 6, 1914, at the Post Office at New York, N. Y., under the act of March 3, 1879

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that Republic's managers were so harassed by the "Communistic" CIO, the "one-sided" Labor Board, and the "unfair" Wagner Act, that any human being in their shoes would have been badgered into a few errors. Republic Steel, however, is responsible for the murder of fifteen strikers and the injury of scores more. Tom Girdler's "mistakes" brought on the most violent and vicious labor battles in our recent history. And no one can believe that Republic Steel carried on its anti-union fight in a haphazard, unplanned fashion. The testimony the La Follette Committee has already taken shows just how carefully the $2,000,000 campaign of espionage, propaganda and intimidation was carried out. Girdler's professed ignorance and innocence of Republic's blanket attack on the CIO union don't hold water. His reputation as an honest witness was ruined when the photographs of "strikers' dynamite bombs," presented as evidence before the Senate Post Office Committee, were exposed as frauds. Girdler said the photographs had been countersigned as genuine by the Youngstown chief of police. When the officer denied ever having seen the pictures, which turned out to be publicity photographs of "sulphur smudge" containers, Girdler explained his hoax as a "mistake of the employees."

What Happened in Idaho

The defeat last week in Idaho's primary of big, mild-mannered Senator Pope by an anti-New Deal Congressman, Mr. D. Worth Clark, seems to have been chiefly a Republican maneuver. It cannot be twisted into a repudiation of Mr. Roosevelt and his policies by the Idaho Democratic Party. Idaho has a new primary law, under which the names of all candidates are printed on a single ballot and a voter may choose those of whichever party he pleases. In last week's primary, the Democratic vote ballooned up to totals unknown in Idaho's history, while the Republican vote was revealingly small. It appears reasonably sure that about a third of the state's Republican voters temporarily became Democrats in order to bring about Senator Pope's defeat. National Chairman Hamilton hastily denied that this was a conspiracy engineered from Washington Republican headquarters; apparently the Idaho Republicans just thought it up themselves. Besides his Republican backing, Mr. Clark had the support of the rejuvenated Townsend movement, which—except in the South—now seems to be solidly anti-New Deal.

Mussolini Is in Trouble

Startling information about Italy comes from an unexpected source. Mineral Trade Notes, a publication of the United States Bureau of Mines, in its issue of July 20, gives a report from an American official in Italy that has not, so far as we know, appeared in the daily press. This official says that Italy has been suffering from a severe drought, and as a result, the production of hydroelectric power has been gravely jeopardized. Until the time of the report, there had been hardly any rain or snow in northern and central Italy since January 1. In Milan, for example, rainfall in the first three months of the year was only 10 percent of normal. In consequence, one large electric company was forced to shift over to a coal-steam plant, and others were threatened by the same necessity. Early in May, consumers of electricity were told to cut their requirements 25 percent, and big factories were urged to advance the normal vacation season from August to May and close down entirely for several weeks. It was hoped that the midsummer heat would melt snow in the high mountains and restore the water for hydroelectric power; but investigation in the mountains revealed that the snowfall had been so deficient that this expectation was a dubious one. The rather grim hope was expressed that there would be enough electricity to keep the railways running and maintain lighting on the streets and in the houses.

Mussolini's problem is an extremely serious one. Italy must import both coal and fuel oil and she has no funds with which to do either. Moreover, her elaborate schemes for self-sufficiency have been based on building up industry with hydroelectric power, and if this power is lacking, the whole program comes to a halt. Perhaps this grave internal situation may help to explain why Il Duce has been trying so desperately to bring the Spanish adventure to an immediate end.

Scientists' Oath

Among the groups that have come down out of their ivory towers in recent years are the research scientists in the democratic countries. Confronted by the repudiation of objective truth and pure science by the totalitarian states, they are beginning to take up arms in defense of those ideas on which they believe that future civilization must be based. In a recent issue of Nature, the British scientific journal, Mr. L. L. Whyte proposes a striking "Scientists' Oath." It reads:

> I am the inheritor of the tradition of civilization which has proved more lasting than empires. Whenever I use the language or the products of science I unconsciously pay homage to the countless men for whom no sacrifice was too great in the struggle to develop the human mind and establish the truth. Toleration and freedom are the heart of this tradition; for individual thought and love of truth are the basis not only of science, but also of justice and of civilization.
>
> I declare my loyalty to this tradition, my belief in the freedom of the individual to develop his talents for the enrichment of the community, and my conviction that man's community is now the whole human race, within which each nation must play its characteristic part. The natural balance between personal freedom and the proper demands of society, which is the life and health of civilization, is today doubly threatened: in certain societies by the

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denial of freedom and in the democratic countries by the irresponsibility of individuals. In the face of this threat:

I pledge myself to use every opportunity for action to uphold the great tradition of civilization, to protect all those who may suffer for its sake, and to pass it on to the coming generations. I recognize no loyalty greater than that to the task of preserving truth, toleration and justice in the coming world order.

Individuals and societies are invited to affirm their adherence to this pledge. The New Republic will be glad to forward to the editors of Nature the names of individuals or groups accepting this pledge and so far as its space permits, to record the fact in its pages.

Mr. Pegler Is Right

We are blushing all over, but we just can't help it: we find ourselves for once in complete and even violent agreement with Westbrook Pegler. They are planning to erect a gigantic statue of St. Francis of Assisi in San Francisco, from a design of Benjamin Bufano; apparently the WPA is implicated in one way or another. Mr. Pegler has pointed out that if published drawings of the proposed statue are accurate, it is going to look perfectly terrible. Mr. Pegler is right, and so are the many other people who also raised immediate and violent objection. The statue, with both arms aloft, violates the most elementary of all the rules of art, that you must not portray an immobile figure in a position which would cause great anguish if sustained for more than a few minutes. And in any case, the last thing San Francisco needs is a gigantic statue, which would be dwarfed by its two vast bridges. We hope that the project will be treated as somebody's far from happy thought and that no more will be heard of it.

News Notes of a Week

Relations between the United States and Mexico continued strained, as both countries waited for the American reply to the latest Mexican note. In this the Cardenas government had asserted its right to seize agricultural land, set its own valuation, and arrange the terms of payment to the owners. A concerted propaganda drive seemed under way to create ill will between the two countries. . . . Hundreds of students from all parts of the world gathered on the campus of Vassar College for a World Youth Congress. . . . A German airplane made two successful non-stop flights, from Berlin to New York and return.

In the United States, the purged anti-Martin leaders of the United Automobile Workers' Union met in Toledo to plan a conference of those elements in the union supporting their position. The preliminary gathering was attended, it was claimed, by representatives of 225,000 out of 325,000 members. . . . Collier's Weekly published the first installment of a reply by James Roosevelt to recent criticism of him by Alva Johnston in The Saturday Evening Post. Photographs of Mr. Roosevelt's income-tax blanks were published showing that instead of earning from $200,000 to $2,000,000 as an insurance agent, the President's son had in no year received an income as large as $50,000. . . . The spectacular trial of James J. Hines, powerful Tammany leader, began with the lively expectation that it might lead District Attorney Thomas E. Dewey to the Governorship and perhaps the Republican nomination for President.

Mr. Frey Is Scared

THE COUNTRY HAS HEARD so much Red-baiting for ulterior purposes in the past few years that none except those who have developed a high degree of susceptibility to this virus are likely to be deeply disturbed by the show that Representative Martin Dies of Texas is putting on in his Congressional Committee investigation in Washington. Yet, for the record, it may be well to mention a few facts.

The first important witness, Mr. John Frey, a vice-president of the A. F. of L., charged that the CIO was harboring and being partially dominated by Communists, whom he accused of using it to disrupt industry and train the workers for revolution. He mentioned by name a few of the more important alleged Communists in its ranks and submitted a list of some two hundred in all. Nobody who knows John Frey will be surprised at this testimony. He represents an old and conservative craft union in the metal trades—the Iron Molders. He is the type of trade-unionist who has never wanted to organize the unorganized or to tolerate a mass labor movement; he is concerned rather with protecting the jurisdiction of the skilled crafts. Only second to his hatred for industrial or vertical unionism is his fear of Reds. One seldom hears of him or his activities except in these connections. He was one of the bitterest opponents of the CIO when its members were still in good standing with the A. F. of L.; he led the drive to throw them out and to keep the union movement split. He has the fervor of a narrow-minded preacher casting out the devil. It is not strange that he should spend his time and energy prying for Reds in the rival labor-body, instead of working in the interests of his own union or of labor in general. He would rather, if he could, destroy any organization of labor than permit it to favor any personality or principle of which he disapproves.

The CIO will doubtless speak for itself in regard to his testimony, but the facts are far different from the picture that he tried to paint. Of course he is wrong in regard to the political affiliation of numerous individuals. But that is not the important point. The real point is that it is preposterous to suppose that great unions like the United Mine Workers, the Amalgamated Clothing Workers and the others that make up the

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CIO and control its policy are dominated by Communists or by communistic doctrine, either in the persons of their officers or of their rank and file. Communists may be found in the CIO, just as Trotskyites may be found in the A. F. of L. Because of their zeal and ability, the number of offices that they hold is out of proportion to their numerical strength. The same is true of Socialists and other left-wing factions. But to say that a great labor movement with over 3,000,000 members and thousands of officials is dominated by Communists just because someone can compile a list of two hundred or so who have worked for it is like saying that the City of New York and its Mayor are under Communist rule because the Borough President of Manhattan appointed a Communist as an assistant in his office.

No important part of the labor movement is now in danger from the Reds; what creates the peril is Red-baiting and the distrust and disunion that it fosters. We have confidence in men like Messrs. John Lewis and Sidney Hillman to prevent the unions for which they are responsible from being ruined by revolutionary plots; they do not need help from men like Mr. John Frey or Mr. Martin Dies. If they countenance the use of a few Communists for union work, we may be sure it is because the persons in question are able and conscientious trade-unionists who do not allow party politics to interfere with their jobs. If they decline to expel members merely on the ground of political or social beliefs, it is because they know that a mass labor movement cannot and should not be built without a large measure of freedom and democracy. All the people in the mills, shops, factories and mines, so long as they are loyal to union policy, have a right to the benefits of trade-unionism, no matter whether they are Republicans or New Dealers or Townsendites or adherents of Father Divine.

Mr. Frey's further allegations concerning the political activities of Communists bear largely on the well known fact that here, as well as all over the world, they are practising the tactics of the "people's front" in combining with merely progressive and democratic groups against reaction. One wonders just what skullduggery he sees in that. Would he be better satisfied if the Communists attacked and strove to weaken progressive movements, thus helping the reactionary and fascist forces? Or is he adopting the Hague and Girdler line of using the favor with which Communists regard progressive movements in order to smear them all with the red paint-brush? The attitude of the Committee itself is strikingly revealed by the report of one of its own investigators, a certain Mr. Sullivan, who seems to assume that anyone who gives money or help to Loyalist Spain is a disciple of Stalin, and who scents a great scandal in the fact that the Department of Labor did not deport Harry Bridges, the Marine Workers' leader.

Representative Martin Dies, who is putting on the show, has a record for Red-baiting himself. A bill bearing his name proposed to increase the classes of aliens subject to our cruel deportation laws, and specifically barred from clemency through the exercise of the discretion of the Secretary of Labor anyone falling under the ban because he entertained radical opinions. Mr. Dies would be happy to return to the tender mercies of Mussolini or Hitler those who have sought asylum from them because of political dissent. It is not strange that he should set the stage here for the use of one of the chief weapons by which the Fascist dictators abroad have gained their power—an exaggerated fear of Communism.

Amend the Social Security Act

PRESIDENT ROOSEVELT IN HIS ADDRESS celebrating the third anniversary of the Social Security Act promised that the program would be expanded to include "all those who need its protection." He was of course expressing a general ideal and ambition, not an immediate program. We are just as warmly in favor as anyone of having the government look after its citizens who are in need, but what the Social Security program urgently needs at the moment is not expansion but amendment. As we have repeatedly said, some grave mistakes were made when this program was initiated, chiefly because the President refused to take the advice of those qualified to speak, and did not study the experience of other countries.

As Abraham Epstein of the American Association for Social Security has pointed out, the first needed amendment is to abolish the system of reserves and meet social-security payments chiefly out of general taxation. Our mistaken policy of trying to create a vast reserve—eventually to be some forty-seven billions—is causing us now to tax the country enormously at the very time when this money is badly needed for consumer purchasing power. In all, we have withdrawn about two billions in the past two years, thus offsetting much of the benefits of spending by the WPA.

Old-age pensions under the scheme are so small as to be almost worthless. It will be twenty or twenty-five years before they will amount to $30 a month. In the meantime, people on relief who reach the pension age must stay there; the cash payment in lieu of pension ranges from a few cents to a few dollars. There is no use pretending we have an old-age security system when we don't.

The United States is the only country in the world that gives old-age pensions to the rich. A man who earns $5,000 a year or more ought to be able to provide for himself in other ways, and would certainly regard a federal pension of a few dollars as being of little real value. At least while funds are so short, some top limit

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might well be put on income, and those earning more should be exempt from the act.

The present fifty-two duplicating tax systems, state and federal, for unemployment insurance, should be abolished, and the collection of taxes placed in the hands of the federal government only. It could then appropriate to the states on a basis of their needs. Benefits which now vary from state to state should be standardized and increased from the present maximum of sixteen weeks to a substantially longer period, perhaps twenty-six weeks.

The Plight of the South

SHREWD POLITICS LAY BEHIND the report on the South just made public by the National Emergency Council. Here is no indictment of the region by a "pack of foreigners" from the North who just can't understand the ways of Dixie. This report was written by a group of Southerners employed in various governmental departments. It was approved by a distinguished committee of leading Southerners, headed by President Frank Graham of the University of North Carolina. Its auspices insure the most respectful and widespread attention in the South that any document of the sort has ever had.

What did the experts find out? Not very much that we did not already know in a general way. The South is the poorest part of the country. The average family income is only slightly more than one-half of that in other parts of the United States—$314 annually as compared with $604. The average value of taxable property is $463 as compared with $1,370 in the Northeast. Of the eight million Southern families, four million urgently need to be rehoused. All the colleges and universities in the whole South have a smaller endowment than Yale and Harvard combined. The South has the most labor of women and children, the weakest trade unions, the greatest proportion of land wasted by erosion (two-thirds of such land with only one-third of the country's good farm land). It is shockingly in need of improved medical care, with pellagra and other diseases taking a heavy toll. The South spends least on its schools, buys the fewest books and subscribes to the fewest magazines.

What is the reason for this state of affairs? There is not one cause, but several. For generations, the South, predominantly agrarian, was punished by our national high-tariff system. The products of Southern farms were sold on a world market, at competitive prices; the machinery that the South bought was protected and therefore high-priced. Two-thirds of the cash income has come from only two crops, cotton and tobacco; more than half the farmers have depended on cotton and, as the report points out, this is a pure gamble; the price fluctuates wildly each year, being affected by many international factors wholly beyond the farmer's control. Absentee landlordism has played its part; some of the worst conditions in the South exist on property owned in the North or abroad. The report repeats the charge recently made by Mr. Harry Hopkins that railroad freight rates have been juggled to the disadvantage of the South. This differential may run as high as 39 percent in the Southeast, or 75 percent in the Southwest. Trade-union organization has always in the past been weak, and labor has been subjected to merciless exploitation, part of which was not the fault of the employer, himself under pressure.

What can be done to heal this running sore? There is no one answer to the question; work must be done along many lines. We should begin with the realization that the South cannot pull itself out of the morass without aid from other, more fortunate parts of the country. Perhaps the most urgent need is adequate medical care and the next, education not only in the classroom but outside of it, the kind of education that creates community opinion in favor of collective bargaining, a square deal for the Negro, the abolition of child labor and employment under undesirable conditions for anyone. The tenant farmers and sharecroppers need coöperative associations; they need help in getting established either on farms of their own or with some other solution of the problem of insecurity. A beginning, but only a beginning, has been made on the problem of waste of natural resources, including first of all the land. Diversified farming and specialized crops must be pressed, to avoid the fatal reliance upon cotton and tobacco. It may prove necessary for the government to intervene more actively in foreign trade than it has ever yet done, to avoid the disappearance of our foreign sales of cotton under the pressure of government interference in lands abroad. The present report, of course, omits the matter of remedies. It is content, and perhaps wisely so, merely to pose the problem.

THE NEW REPUBLIC

PUBLISHED WEEKLY AND COPYRIGHT, 1938, IN THE U. S., BY EDITORIAL PUBLICATIONS, INC., 40 EAST 49TH STREET, NEW YORK

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It's the Same Old Wall Street

THE NEW YORK STOCK EXCHANGE has been "adapted to changing times and conditions," says its new president, William McChesney Martin Jr. The first meeting of its reorganized board of governors marked, as he said in his inaugural address, "the most important forward step yet taken in the long, progressive development of the nation's primary securities market." Liberal publications followed with cautiously laudatory comments, suggesting that now that the better element in the Exchange is in the saddle, progressives everywhere should take a more sympathetic attitude toward that institution for the time being at least, thus aiding the new management to continue its ascendancy over the Old Guard.

A clear understanding of the state of affairs and extent of improvement in the Exchange is important. That market still has great power to affect business and employment, as well as investors throughout the land. It is still able to spread dismay among business men, to arouse false hopes in the business community, to help whip up a rate of business activity necessitating subsequent reaction, and in consequence to affect the income of the ordinary working man as well as of the investor. It is a very sizeable monopoly; the market value of the securities listed on the big board has at times aggregated a total of $100,000,000,000.

No matter how great the reforms that the institution may have inaugurated, it still functions under many of the difficulties of the past. It is still privately owned by approximately 1,300 brokerage firms. It is still to some extent the hand-maiden of the bankers and underwriters. Its members are still dependent on the big Wall Street banks and trust companies for much of the Stock Exchange business, and on many of the investment trusts and life-insurance companies and savings banks which in turn have close affiliation with Wall Street. Just because the Exchange is so ringed around by powerful financial influences whose present standards and purposes are not much different from those of the past, the public is in need of a reformed Stock Exchange, and even more in need of not assuming a greater amount of reform than exists.

Mr. Martin is not the first president of the New York Stock Exchange to be hailed as St. George come to slay the reactionary dragons. Three years ago Mr. Gay supplanted Richard Whitney and that was widely acclaimed as the great reform, assuring the Exchange and the country of a new day. Martin has, of course, more to offer than Gay. Martin studied at the New School for Social Research and became one of its trustees—indications that he knows we are in a new period. Martin is much younger than Gay. Maybe he can go much farther.

But Martin is not the Will Hays of the New York Stock Exchange. Many older men have a good deal to say in its affairs. Let us consider one of the minor boards of the Exchange, indirectly responsible for such steps as have been taken this year to rout the Old Guard and to put Martin and his associates into power. Their victory was facilitated by the Richard Whitney affair which first upset the Stock Exchange authorities when it was discovered by the trustees of the Gratuity Fund (the fund for the widows and orphans of Stock Exchange members) that Whitney had embezzled its cash and securities. The trustees of that Fund were lax in taking action and efficient in preventing the facts from becoming known to the disciplinary authorities of the Exchange. Under Mr. Martin's administration the same chairman of the trustees of the Gratuity Fund has been continued in office and all his lax fellow trustees have been continued as trustees of the Fund—with the exception, of course, of Mr. Whitney.

However, it is not the trustees of the Gratuity Fund, but the board of twenty-eight governors, who are to govern the reformed Stock Exchange. Of these, eleven were colleagues of Mr. Whitney and six others had served on various committees of the Exchange—seventeen hold-overs from the Whitney period which ended in March of this year. Six are out-of-town men, from localities like Boston, San Francisco and Richmond. While it is desirable that there be a substantial representation of out-of-town firms, their part in the governing of the Exchange is likely to be much more limited than that of New York governors. Of the twenty-two governors resident in New York, fifteen were colleagues of Mr. Whitney's on the old board or served on special committees in that pre-Martin period.

It is possible that some of Richard Whitney's fellow governors during Mr. Gay's administration (1935-1938) were progressives and not Old Guard—just as it is possible that some of the first-term governors are not necessarily progressive. Let us, therefore, look at an earlier period, January, 1933, before the Stock Exchange had heard of Mr. Pecora except in his role as District Attorney, and some months before Mr. Whitney told a Senate investigating committee that the Exchange was an almost impeccable institution. At that time one-third of the New York brokerage firms which now have partners on the reform board also had their partners on that reactionary board. To be sure, the partners were not always the same, but the firms continued to hold their places on the governing board.

Walter L. Johnson of Shearson, Hammill and Company was vice-president of the Exchange even before Richard Whitney and was on the board of governors during the Old Guard period. Johnson is not on the

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reform board of the Martin period, but his partner, Harry K. Smith, is. Take another case. Allen L. Lindley was vice-president of the Exchange under Richard Whitney. Since that time he joined the brokerage firm of Shields and Company, which firm had been represented on the Whitney board of governors by one of its earlier partners, Joseph H. Seaman. Neither Lindley nor Seaman is on the new board of governors, but Shields and Company is represented through another partner, Paul V. Shields. Take still another case. The late Paul Adler of Adler, Coleman and Company was on Whitney's board of governors; his partner Coleman is now on Martin's board. Finally, the brokerage firm of Dominick and Dominick was for years represented on the board under Whitney and now, through another partner, is again on the board.

It is of course quite possible that both individual governors and brokerage firms will change their points of view and reform their practices in line with these new viewpoints. Has the new administration of the Stock Exchange given evidence that this possibility will be a probability? It has provided a good test on the subject. The test relates to a question raised in one of the Senate Committee investigations in Washington last year. At that time Senators criticized the New York Stock Exchange because in the past some of its governors had been underwriters of securities (*i.e.*, had helped to float and distribute them to the public) and thus had been in a position to vote on applications to list those very securities. Such listing, it was shown in the Washington hearings, helped the underwriters in successfully distributing their security issues.

Former presidents Whitney and Gay assured the Senators that there would be reform. They came back with a proposed rule which, while forbidding any governor to vote on an application to list his own securities, did not prohibit underwriters from serving as governors of the Exchange. This proposal, as some Senators pointed out, would permit underwriters who were on the board of governors to scratch each other's backs, each voting for the other fellow's security issue.

A year later, in 1938, with the fundamental reorganization of the New York Stock Exchange, how did the reform administration deal with this problem? The new Exchange created a stock-list committee of nine members, one an employee of the Exchange and eight members of brokerage firms. Five of the eight are in the underwriting business. The chairman and vice-chairman of the committee, the acting chairman of the board of governors, the chairman of the new disciplinary committee of the Exchange and the chairman of its new committee on public relations are all engaged in the underwriting business. Rarely, if ever, in the reactionary days of President Simmons or President Whitney did the Stock Exchange put committee control, and particularly control of the stock-list committee, into the hands of the underwriters.

Ten days after the new board of governors held their first meeting last May, the United States Steel Corporation filed with the Securities and Exchange Commission the list of underwriters who were going to distribute its proposed $100,000,000 bond issue to the public. That list included firms whose partners hold ten places on the new board of governors of the Exchange, among them the chairman, vice-chairman and three other members of the new listing committee. It would be impossible to get together a majority vote in that committee to list this broad issue, if the Exchange adheres to its rule that underwriters may not vote on their own securities.

There are other tests of the degree to which the reorganized Exchange is likely to be able to effect reforms. One relates to the matter of the influence of such big banking firms as J. P. Morgan and Company and Kuhn, Loeb and Company on the Exchange authorities. The danger of such influence has been shown in investigations by congressional committees and was pointed up dramatically in the Whitney blow-up. Can it be said that the New York Stock Exchange now has a board of governors free from the influence of the big bankers? At least six of the brokerage firms represented on the new board of governors, or partners or associates of such firms, were included in the famous preferred lists of J. P. Morgan and Company of some years ago. And the case is no different today. At least ten of the firms represented on the new board of governors, having been allotted participations in underwritings by Morgan, Stanley and Company as recently as this summer, are beholden to the Morgan firm, of which Morgan, Stanley is simply an affiliate.

Though the new administration has taken over some of the Old Guard and has placed on its board of governors underwriters and others who ought not to be there, possible consolation is the fact that such elements may be in a minority on the governing board. But sometimes such minorities, whether liberal or reactionary, can have a decisive influence.

The new administration has provided striking evidence of what may be expected at its hands. It has chosen for the Exchange a new firm of attorneys in place of the lawyers who were regarded by many as too close to the Old Guard. Milbank, Tweed and Hope have succeeded Carter, Ledyard and Milburn. The head of the successor firm is sufficiently close to J. P. Morgan and Company to have been allotted stock on various of its preferred lists. The principal client of this law firm is the Chase National Bank, the Rockefeller bank, the largest banking institution in the United States. The head of this bank, Winthrop W. Aldrich, was formerly a partner of a number of the men in this law firm, and the firm itself is a successor to Mr. Aldrich's former firm.

The post of counsel to the Exchange is next in

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importance to that of the president. The fact that for such a post the reform administration chose a Wall Street law firm, steeped in the tradition and convictions of the Street, accustomed to representing the financial upper crust, and opponent of the ordinary investor who challenges the actions of the big corporate insiders, means that the reform Stock Exchange administration, with the entire American Bar to choose from, was in this critical matter without vision, without courage and without imagination.

One of the most important executive positions on the staff of the new administration is that of adviser to the stock-list committee of the governing board. For a dozen years the Exchange has had an exceptionally able man who, it is said, is shortly to retire. The new administration has promoted and is apparently grooming his assistant, Mr. Haskell, to take his place. This is less than one year after a congressional committee disclosed that, contrary to the vigorous advice of his own superior, Haskell urged the Stock Exchange to list securities which were to be issued under a thoroughly unsound plan for reorganization of one of the biggest railroad holding companies.

The new board of governors has been in office for more than a quarter of a year and has had ample opportunity to learn about the concealment of Richard Whitney's embezzlement and other wrongful acts. The record in the investigation by the SEC showed governors of the Exchange and members of committees of the governing board deliberately covering up facts from the appropriate authorities of the Exchange. The biggest banking firm connected with the Exchange, J. P. Morgan and Company, holder of two memberships in the institution, concealed the facts. So did the chairman of the Gratuity Fund trustees and others of the trustees; so did a member of the business-conduct committee itself. Knowing of these embezzlements, these bankers and brokers permitted Richard Whitney to go on as a member of the Exchange, without discipline and without warning to others.

The least that may be expected from the Exchange authorities, whether they be liberal or reactionary, is a statement of future policy with respect to such concealment, and appropriate action against persons guilty of concealment. From the reform administration of the New York Stock Exchange has come no word whatsoever on the subject.

The New York press has been most sympathetic to the new regime in the Stock Exchange. The government is now ready to sit down with the new Exchange authorities and solve problems "around the table." Both the Exchange and its new officials are entitled to full sympathy from the public. But the public itself is entitled to full sympathy from the authorities and the press, and to an understanding on their part that the reform administration has not yet proved itself, that it has in major matters already been backward. It may turn out to be not much more of an escape from reaction and from selfish operation of a public institution than did the prior Stock Exchange administration which was three years ago hailed as the harbinger of reform.

T. R. B.

Japan's Four Bad Boys

We knew quite a good deal about them before. Wachi, Senda, Hosoki and Yokogama, young colonels of about the same age, not over forty. We used to call them the Four Bad Boys. With their backers they had played an important part in the abortive push of the Mongol Prince Teh into Suiyuan a year ago last October. At that time one, as chief adviser to Teh, had evidently run a good part of the show, and another, as adviser to Yin Ju-keng's East Hopei anti-Communist regime, had squeezed out of Yin most of the money that financed it. The attempt was a flop, but it was General Itagaki who was recalled to Japan, not these men. That was one of their advantages. They were still so young, and, as far as Tokyo was concerned, unimportant, that they went unnoticed when the General Staff reviewed the incident and meted out punishments.

The four had been at military school together and even then, as one of their comrades told me, they were making plans for Japan's continental empire. Clever, even brilliant, and certainly fiery, they met from time to time, were constantly in communication, always with the one idea in the back of their minds. And as the years passed they managed to have themselves assigned to various posts where they would learn something that fitted in with their central idea, or make contacts, or accumulate power.

Over all the cliques in the Imperial Japanese Army there were (I say "were" because the present war has, for the time being, sublimated one of them) two main divisions. One was led by the Russian group, those generals who were Russian specialists, trained for warfare in Siberia and who spoke Russian. Many of them had been military attachés in Moscow or Riga or Helsinki. They believed that Japan should conserve all her strength for the coming war with the Soviet Union and they were in close contact with German military leaders. Their group included a good many others who believed, with reason, that any further military action in China would only weaken the

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Japanese army's potential opposition to a first-class foe. The second group was made up of Chinese specialists, many of them trained in the Japanese spy schools in Peking and Shanghai. Their contention was that China was more profitable territory than Siberia anyway, and that in any war with Russia Japan could make good use of the supplies of cotton, rice and coal which the rich Chinese alluvial plains produced. The main control of the Kwantung Army, the Japanese army of occupation in Manchuria, as well as the military attachés and members of the Special Military Mission (Japan's instrument for paving the way politically for conquest) in Manchuria and Inner Mongolia, all belonged to the former group. The command of the North China Garrison was of the latter. The military attachés in China belonged to Isogai's clique and this, as time went on, allied itself more and more with the Chinese group. The Four Bad Boys went between the two, ready to use or help either. I don't think the cause mattered; they were for action of any kind.

For the past two years the man at the head of the first section of the Tokyo General Staff, the section that controlled the armies on the continent, has been Ishihara. Although he leaned toward the way of thinking of the Russian specialists, he was against both groups—against any independent action that might bring war. In the last year and a half he had transferred home a good many of the trouble-makers in Mukden and Tientsin. Itagaki was the most important man to go, but there were a good many others. And wherever possible Ishihara put into North China men who belonged to the Russian group and were therefore disposed toward friendship with China. It was a sort of insurance against the occurrence of another Manchurian Incident.

But in transferring generals and well known colonels, he overlooked the Four Bad Boys. I don't suppose that until the present trouble broke out, he knew that his own assistant was acting in concert with Wachi, Senda, Hosoki and Yokogama. Nor did he know that while his associates in Peking were urging a more liberal attitude toward China, the Four Bad Boys were telegraphing just the opposite advice to their friends on the General Staff, to Itagaki and Doihara in particular.

Toward the end of June, about two weeks before the incident, a young Japanese who was close to a good many people in the army gave us a warning. He said that the Four Bad Boys were getting impatient with the way things were going. The election in Japan a couple of months before had gone against the army. People in Tokyo were openly complaining about the high cost of supporting armies in Manchuria and North China. Sung Cheh-yuan, the governor of Hopei and Chahar, although he had received his job on recommendation by the Japanese, was beginning to take advantage of this situation. He was becoming fractious. After a deadlock with his Japanese advisers he had retired to his native town to "sweep the tombs of his ancestors."

During the previous year another and more dangerous figure had appeared on the North China scene, Feng Chieh-an, a young man, a strong personality, sincere and extremely anti-Japanese. It was he who slapped the face of the mayor of Tientsin for conceding vital points to Japanese business interests. In order to keep him quiet and to get him out of the way, he had been made provincial governor of Southern Hopei with his headquarters at Paotingfu. But he had not been satisfied to sit a hundred miles south, and he was constantly in Peking. He had allowed open anti-Japanese, even Communist agitators, in his troops, the Thirty-seventh Division, and he and his policy were gaining popularity in the other divisions of the Twenty-ninth Army. Then there was the fact that the central government in Nanking was becoming more powerful. The Communists in Shensi had combined with it, and Chiang was gaining the allegiance of one provincial war lord after another. The four young colonels pointed to the great mistake Japan had made in not attacking Siberia in 1931 when Russia's Far Eastern Army was unprepared for it. They argued that if China were not dealt with soon, she too would become too strong. Then, too, Ishihara's policy must have irked them, and they were fearful that their turn might come, that eventually there would be no one in China who was ready to make trouble.

Our young Japanese informant said that he had seen Senda and Wachi in Tientsin, that their restlessness was beginning to take definite shape. He predicted, and we had come to respect his predictions, that within three weeks things would break loose.

Senda was in the information department of the Tientsin headquarters, and this was his importance. Whereas the average Japanese, even in the army, because of the censorship has a very unreal idea of both the world and the domestic situation, the intelligence service has pretty accurate information on which to base its moves. I understood later that his friends in Japan were feeding Senda information regarding England's efforts toward friendship with Japan and their general conclusion from them: that England at the moment was in no position to interfere. Another friend of Senda's claimed that it was some subsidiary cohort of his who, acting independently of his headquarters in Mukden, had created the Amur River incidents. The purpose of these was to test Soviet Russia's willingness to interfere and, more than that, the attitude of the general public at home toward military action. In all these things our four colonels were satisfied that the time had come to strike.

Wachi was the staff officer in the Tientsin headquarters in charge of operations. I cannot say definitely that the orders for maneuvers around Wanpinghsien on the

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night of July 7 originated with him, but they would have had to go through his hands, and without consulting anyone he had given orders for maneuvers before. And all night long, probably before his superiors had been awakened, he or someone working with him would have been at the other end of the telegraph, sending out orders that brought reinforcements from the nearby fields, where they had evidently been stationed in readiness, and from Fengtai.

Things must have happened almost like clockwork, although Wachi and Senda were undoubtedly sure of their ground. Senda would have known that the regiment of Feng Chieh-an's Thirty-seventh Division that was garrisoned in and around Wanpinghsien was one of the most anti-Japanese of them all, and it was almost certain that something would be started. They may even have had someone primed to fire, at about eleven-thirty, that first shot near the Marco Polo bridge that started all the trouble.

What the immediate aim of the Four Bad Boys was, I suppose only they themselves know. I was given to understand, however, that the Lukouchiao Incident, as it came to be known, was to be an independent part of a bigger plan which would appear later. Perhaps they merely wished to gain the nearby Peiping-Hankow railhead, achieve only strategic advantages. Perhaps it was an effort to compel Sung Cheh-yuan—who was proving an unruly puppet—to get out or change his policy. Or it might have had as its immediate objective the forcing of Feng Chieh-an's revolutionary Thirty-seventh Division further south or out of Hopei.

Whatever it was, the thing they had started, even by the next morning, was taking on tremendous proportions; and Wachi was in Peking by the earliest train, taking an important part in the "negotiations" to settle the incident. During the next two weeks he was here, there, everywhere. He was either running back to Tientsin or to Tungchow, where the third of the young colonels, Hosoki, was stationed. When the negotiations were transferred to Tientsin and Sung returned from sweeping the tombs of his ancestors, Wachi was in the center of things.

Wachi and Senda and their two friends were for "coöperation" with the local Chinese authorities. They believed that they could force Sung and the members of the Hopei-Chahar Political Council to give in on almost everything, that they could gain most of these two provinces without any further fighting. They were of the "conquest-by-incident" school.

As the trouble developed and incidents increased, as the Chinese began to resist (as they never had before), as the situation in Japan began to get hot and other people at home and in China began to see the tremendous political possibilities of it, Wachi and Senda may have been too busy to notice. Or perhaps their ideas and aims were so firmly entrenched that they refused to take all these factors into consideration. They continued to urge a "peaceful settlement," one which the Chinese in the North seemed only too willing to make.

Sometime during the night of July 26, the Japanese intelligence service intercepted orders between Sung Cheh-yuan and his generals. These showed that he and all his men were as anti-Japanese as anyone. Sung may have sent these orders merely to cover up the sacrifices he was making verbally to the Japanese negotiators, to save face with some of his less compliant subordinates. But either believing or pretending, the staff of the Japanese North China Garrison took them at their face value.

A Japanese who visited the Tientsin headquarters the next morning told me that he had never seen such an about-face. The point of view, everything, was changed overnight. There was no longer any talk of a peaceful settlement. Everything that was said meant real war. Wachi and Senda, who up to this point had been at all the conferences and had led the discussion a good part of the time, were now out of them. And those men who had opposed their policy, who were anxious to capitalize on the growing war fever in Japan, were running things.

The next morning we were awakened at five-thirty by the bombing of Nanyuan and Hsiyuan, the Chinese barracks near Peking. This was the first time we had seen airplanes used. And all day the fighting grew steadily more serious. From that time the war was on.

A day later both Wachi and Senda were relieved of their posts and transferred back to Japan, to the command of regiments in the field. They left by plane. Wachi was later heard of fighting near Shanghai. Senda I lost track of. Hosoki was killed in the uprising of the Chinese populace at Tungchow.

Where this thing that these colonels have started will end no one knows. It has swept along with such rapidity and force that nobody has been able to control it. I am sure that there were persons of importance in the Japanese General Headquarters who knew and approved of their original plan. I am equally sure that the real command would have put a stop to it had it been in possession of the facts. What Wachi and Senda engineered is typical of what is happening continually in the Japanese army. It is the result of complete discipline in the ranks and almost none among the officers. And I think this condition is a greater danger to any future peace in the Pacific than all of Japan's politicians and business men. While I was in Peking I heard fanatical young officers claiming that they must take Hong Kong, that the borders of their conquest will never be safe as long as that naval and military base cuts in on them. Perhaps this will be the next big job for the Four (now the Three) Bad Boys or others like them.

R. M. MAC GREGOR

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Banner on a Yardstick[1]

I WATCHED THE SLIDE RULE move in his big brown engineer's hands. He put it beside him and scratched on a pad. Then he looked through the thick lenses of his glasses at all the figures he had assembled.

"Hell," he said of the TVA power rates, "if that's a yardstick, I'm a New Dealer."

It was the ultimate of negation. He had come to this figuring in Tennessee from a life devoted to civil soldiering for a great utility holding company up and down the world. He had seen its insides and still respected it. And I recognized him as cynic and romanticist together, the strange patriot not of a country but of a holding company.

"It's not a yardstick; it's a club. They get their money from Uncle Santy and no interest charged. We have to borrow ours from the public and pay what it costs—five percent and up. And TVA pays taxes—that's a joke—$67,000 for the 1937 fiscal year. Do you know what a private company with an investment the size of TVA's would have to pay? I'll tell you: damn near $3,000,000. TVA's financial statements show no charge for depreciation. They keep the real size of their investment—on which they've got to earn something to save their faces, if not Uncle Santy's money—down by a mumbo-jumbo allocation to flood control and navigation. They send their mail free. The government prints their pretty picture books. They get reduced freight rates. Maybe it's a detail—a damn big one—but they ride their damn cars all over hell and gone and pay no auto taxes at all. And when they want to take a whole town full of customers away from us, they lend the city fathers—or give it to them—the government's money, or Handsome Harold Ickes does it for them. And that's the yardstick set up in odor of civic sanctity to show the dear people what the utilities ought to be charging them if we bastards weren't cheating them. And the saps eat it up."

He shrugged his big shoulders.

"You can't blame the people. They don't care who freezes their ice cubes. If the government pays the Tennesseans' power bills, you can't expect the Tennesseans to complain."

Then he seemed almost wistful. He regarded the figures on the pad again. "You know if we had half a chance, if it was a yardstick, we could beat their tails off. And we'd like a chance at that—I mean us fellows in the operating end. We could do it, if we had any chance at all."

And somehow suddenly, there in the same valley where old U. S. Grant began his hammering of the Confederacy, in his voice there sounded something of the note which attended the old confident boasting that, given a chance, one Reb could beat ten Yankees. That was a long time ago but old Grant for the government even then had been, perhaps unconsciously, engaged in depriving honest men of honestly acquired property. Maybe it is a process that goes on forever. Certainly in and beyond the Tennessee Valley there are utility men who think of David Lilienthal, who has been primarily responsible for TVA's power program, as men long ago thought in anger of both Grant and William Lloyd Garrison.

But I think the dour engineer was misinformed or perhaps emotionally informed as to the TVA and its yardstick. Undoubtedly all that he said has been authoritatively said by spokesmen for the utilities. But it has not been said without answer. TVA has officially stated that in fixing electric rates it figures an interest rate of 3.5 percent on its power investment; David Lilienthal told investigating Congressmen that TVA rates include an allowance of 12.5 percent of its gross receipts in lieu of taxes, which was about equal to the private-utility average when the rates were fixed; and it has denied the existence or the significance of minor governmental subsidies and advantages.

But undoubtedly the rates were shaped quickly. TVA was a good deal less than half a year old in September, 1933, when the specific and dazzling promise of cheap rates was hurried to Tennessee homes and Tennessee towns.

"If we hadn't been living in Pullman cars," Lilienthal says now, not in justification of the rates but of the expert informality of their determination, "and dashing around the country so much, it would have been done differently."

Today he thinks that the rates which were framed quickly under his guidance, "judged by practical considerations of business, are about on the appropriate level." He believes that a twelve-year net, including the little business of the first hurried year and the rising volume of the years to 1946, will be about $41,500,000 and this, he insists, will pay the United States 3.5 percent on its power investment and amortize a large proportion of the cost.

That is prophecy based on the results of the most intelligent guess. For certainly when the wholesale rate to municipalities was set at approximately six mills per kilowatt-hour and the residential rate was so fixed as to make the residential consumers being served by municipalities pay an average of about two cents a kilowatt-hour—less than one-half the national average charges by private utilities—these rates were not the re-

[1] This is the second of three articles dealing with the TVA. The third, "Diagram for Democracy," will be published in the near future. — THE EDITORS

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sult of any simple mathematical process. In the first place, in a world of utility write-ups to get higher rates, there was a write-down—plausible but actual—of $14,000,000 in the cost of Wilson Dam, which was TVA's inheritance from the War. It was upon the $33,000,000 left that the yardstick was based.

And beyond that value was the vastly complex business of allocating that investment of TVA for navigation, flood control, fertilizer production, national defense and power. In fixing the yardstick on the one dam which it possessed in 1933 TVA produced a tentative allocation of $10,000,000 to navigation, $1,500,000 to national defense and $22,000,000 to power. Nothing was allocated to flood control then, and in the formal allocation report, made recently to the President, of the whole investment in Wilson, Norris and Wheeler Dams, nothing was allocated to national defense. The early tentative report allocated a far greater percentage of the investment to power than the recent formal findings which went to the President. And nothing could show the vast variation possible in such allocations better than the long discussion of various methods of allocation which the experts of TVA made in that report, which arrived at the neat division of 20 percent to flood control, 28 percent to navigation, and 52 percent to power. But it is not necessary to show it; the experts admit it: "Every method of allocating the common plant investment necessarily involves assumptions and estimates the formulation of which is dependent on widely varying opinions of individuals." So TVA fixed its yardstick rates honestly, I think; in terms of a will to use all the possibilities of TVA in the public interest, I believe; scientifically in so far as there is any exact science about such a business, I am sure. But that certainly does not mean that the TVA rates are the simple answer to a simple equation. They are not and they never will be. In this world in which all of us want definite answers in this as in other matters, the answers are the best bets of men of the best training and intentions.

But, beyond these complexities—which are not to be neatly settled for such men as Representative Charles Wolverton of New Jersey, the Methodist, Mason, K. P., Moose and Rotarian, who seek a prompt finding as to whether rates are "right or wrong"—the important factor in the power aspects of TVA was that TVA began in 1933 as an act of Congress and one dam. The dam had been built not to transform a valley but to make explosives for the destruction of a corner of the world. Congress had directed TVA to encourage the use of power by rural and domestic consumers; Congress had enjoined it to sell its power at a profit; but Congress did not provide it with customers through which it could do either. Of course, TVA could have sold its power at its dams to the utilities. The utilities had urged that. They had said, indeed, directly to Congress that they and the investors beyond them would be ruined if any other course were followed. But the Congress which listened to them turned them down directly in shaping the act which was passed. And so Congress determined the direction along which the yardstick rates were designed to make TVA go.

A rate expert is not required for the understanding that no price makes any sense without a purchaser. Little boys selling Coca-Cola in makeshift stands along the best residential streets in Chattanooga know that. And beyond such little boys utility executives know that cheap power depends not merely upon economical operations but upon a volume of consumption. TVA set up its rates for purchasers. In doing so it undertook not to destroy the utilities but to make an existence for itself. Wilson Dam, when the TVA directors inherited it formally at their first meeting in the Willard Hotel in Washington in June, 1933, was not located in a wilderness; Norris and Wheeler Dams and all the other rising dams are not. The power developers had already come to Tennessee, long after the pioneers. The valley hung with their lines. There was, indeed, an unfulfilled need for rural electrification which TVA was directed to serve. There was an inadequate domestic use of electricity at the then existing rates. This was true even in the towns which distributed power over municipally owned lines. It was TVA's business to increase that use. But between TVA and what the Congress had told TVA to do were the power companies. They were exactly where they told Congress they would be. It was not a comfortable position for them; and they have not permitted it to be a comfortable position for TVA. It was inevitable from the beginning that if TVA was to send any of its power to the farmhouse and the townhouse in any such way as to do what it was directed to do it would have to go into towns, along roads, into factories, into all the markets which existing utilities regarded as their own.

That was understood. The utilities had understood it clearly long before TVA came into existence. It was an inevitable process, also it was a cumulative one. Not only did TVA have to take Tupelo and Alcorn County and Athens and Dayton and New Albany; in order to give validity to the low yardstick rates it promoted a campaign which extended the use of electricity far beyond the Valley. Undoubtedly, there is truth in the TVA contention that increased consumption grows from lower rates. But that is not an automatic process, and it is not necessarily a swift one. Before and behind its extending lines TVA sent out its agents. They knocked on doors. They spoke at meetings. They told husbands and housewives. Mr. Lilienthal talked. Finally, even the President of the United States came and spoke at Tupelo and Corinth. And from doorknockers to the President they said what the power companies are now saying on billboards: "power is cheap; use more of it." People did; and not only in the TVA towns. Power companies everywhere felt the

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impetus of the program. Of course it cost money. Dr. Arthur Morgan has contended since his removal as chairman that such promotion was a TVA subsidy to the little distributing towns. TVA has set up a budget item of $100,000 a year for this work in its costs, a growing sum which, of course, does not include the value of presidential persuasiveness and other forms of national advertising by the national government. But power companies and appliance makers have profited from the greater program as much as TVA.

Increased consumption in the little towns and among the rural coöperative associations was not and is not enough. Such greater consumption undoubtedly eased the burdens and increased the pleasure of ordinary folk in little towns and along half-forgotten roads. But there are limits to the power consumption of even the most coöperative Tennesseans. And beyond that limit dams were rising, and are rising still, to provide better flood control, to make possible longer and safer navigation, to process the phosphates which will save the land, to serve the national defense and—it is no tail to the kite—to produce "incidental power." And with power, with dams, with the volume of electricity, there rises also the investment on a part of which at least—and a big part—TVA must pay as it sells its power in accordance with mandate by Congress.

The people of Tupelo can never provide the volume of consumption which that increasing investment needs, neither can the people of Tishomingo County. But the city of Knoxville, where the utility system minus street cars was recently purchased from the National Power and Light Company, will soon be receiving TVA power. There are already TVA lines in East Memphis, and the city of Memphis is preparing to go beyond voting for TVA power. Chattanooga, which voted for TVA power long ago, appears to have finally overcome such legal difficulties as the utilities have put in the way of every TVA advance. Such cities invariably mean also the countryside around them. They are the capitals of power provinces. They mean the volume that is essential for low rates—for even a demonstration in low rates which has any validity at all—even when the government offers them.

Something new certainly is happening here. Mechanically the process is not unlike what happened when the young electric utilities which then sold light alone began to invade the wider field of gas. In a sense, too, it's like the manner in which the buses from beginnings in little and neglected fields began the involvement of the railroads and street cars. But the invader now is not a new revolutionary process or device. Instead an institution—an idea—with the backing of government is extending its dimensions in a chosen area, an area which utility men complain is fixed by no metes or bounds or promises. All the meaning in the rates, in its yardstick, depends upon growth. TVA cannot stop without toppling.

And are those rates, which both impel it and depend upon its continued movement in expansion, fair as a measure for utility rates in America in general and to those utilities in the Valley in particular which must bear their direct impact in competition? I do not know. I think TVA believes that they are. But I do not think TVA or a congressional investigating committee or any other human agency can say any certainty about them soon. They may be too low; they may be too high. Certainly when TVA sold its first kilowatt-hour to its first distributing municipality no profit was made on the $22,000,000 investment in Wilson Dam allocated then to power. It would not have made a profit on that single transaction if it had sold it for dollars instead of mills. The profit lay ahead of the ratemaking in the volume and as the volume has grown the investment has risen also.

As a national standard for power rates there are, of course, defects in any demonstration such as TVA. River systems differ. In the dams which he designed to protect Dayton, Ohio, from floods, Dr. A. E. Morgan, who is now critical of much in TVA, put granite blocks carrying inscriptions warning against the use of them for the development of power. But the Tennessee, he said, was another river. And the Tennessee is another valley. It is exactly like no other. Within it wages and prices and customs and people and geology and climate and history differ from those other streams. It would be instructive if valleys could hold experiments as test tubes may. It would have been interesting if somehow it could have been arranged to have in the same valley in fixed contiguous areas a competition, from an even beginning, of power capitalism for profit and river development for public service in power and all the other aspects of a river's potentialities and dangers. That is fantasy, of course. But it is not the only fantasy in our world.

TVA is too much engaged in a variety of activities to point specifically to any proper price for power. Experts may unscramble the eggs of its flood control, navigation, fertilizer, national defense and power-control activities to their own satisfaction but they may by no means unscramble them to the satisfaction of all the other experts or all the people concerned. Nevertheless, in such a river as the Tennessee the total benefit to the people from the integrated development of all these possibilities and functions and controls of a great river seems to me to be essentially more sensible than the old one-purpose, for-profit use of water by the utilities. Indeed, even if, as utility men now say, hydroelectric power is more expensive than power generated at steam plants, the power that is part of a wisely developed river is gain for the people. From it they may not get a perfect price tag for their power but they will take power as well as security from rivers which too often in the past have run in waste and destruction to the sea.

JONATHAN DANIELS

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From Crete to Tom Mooney

THERE WAS NO PLACE TO SIT DOWN. There was no place to walk around. The small deck serving second and third-class passengers on the ship out of Piraeus to Crete was crowded with people and their bundles. First arrivals had seized the few wooden benches along the ship's sides. The bulk of the passengers had spread out their bedding and were sprawled over the deck and hatch cover.

It had been oppressively hot. The heat pressed down on your chest and left you breathless. Now, out to sea, a cool breeze had come up. People began to revive. They began to tear off chunks of bread from their round gray loaves and to chew on them. The men started to finger their *comboloi,* the conversation beads of the Greek. Everyone started to talk.

I went into the small dining room. It was crowded with dark men in black suits. Not a woman there. None of the men was eating. They were all sitting over small cups of black coffee and small glasses of *oyzo,* the Greek schnapps. A few of them were talking, some reading newspapers, some playing with their *comboloi.*

I found a place at a table with four men, ordered a coffee and began to read Le Messager d'Athènes. It was the foreign-language newspaper of Athens and it was a terrible paper. The main items were always about the trip the secretary to the Minister of Foreign Affairs was making to Bucharest, and how, at a cost of several million drachmas, the Acropolis was to be illuminated that night in honor of visiting Turkish naval cadets.

The men at my table were staring at me and talking about me. I heard the words "foreigner" and "German." They always thought I was German. After a month in Greece I was used to the way the Greeks stared at the foreigner and questioned him at every opportunity. Thir curiosity was never offensive. They were genuinely interested in the stranger.

The man directly across the table caught my eye and said in a vowel-accented French, "It's a terrible paper, isn't it?"

"Yes," I said, "it's terrible." The other three men were watching us eagerly, their eyes shining with pleasure that the conversation with the foreigner had started.

The second man said, "There's nothing in it."

"No," I said, "it's always about some secretary's visit to Bucharest."

Three of them laughed eagerly, and one of them translated to the fourth man, who didn't understand French, and then he laughed.

The man who had translated said, "He says there's nothing in any of the papers these days. They're all the same."

"What's in the Greek papers?" I asked.

They all laughed. The first man said, "I'll tell you what's in the Greek papers. But listen, do you understand Italian? I speak Italian better than French."

When I said yes, he went on in Italian.

"I'll tell you what's in the Greek papers. Every day they say things are getting better."

"Are they getting better?"

"Listen, every day they get worse. I'm a doctor in Canea. I know how things are. A doctor is supposed to get at least twenty-five drachmas from each patient. In the last year the number of patients I've had who could pay me twenty-five drachmas I could count here." He held up his ten fingers.

"Has it been worse this last year?" I said.

The men looked at each other and smiled again. This time not eagerly. They smiled indulgently, as if I were asking a naïve question.

The second man who spoke French said, "You know what has been happening here this last year?"

"A little. Not much."

"Well, things are not getting better. I won't say any more."

"Where do you come from?" said the doctor. "You're not French?"

"No, I'm not French."

"German maybe? You look sort of German."

"No, I'm not German at all. I'm American."

They all seemed very pleased.

"Oh," said the fourth man who didn't speak French or Italian, "I'm American too. American citizen. Don't speak much any more. Come back here twelve years ago. I was out in Winnemucca, Nevada, before. Had store. Come back here and lose all the money I save in America. How things in America now?"

I told him how things were in America. "But I've been away a year," I said.

"Where have you been?" said the doctor.

"In Austria and Jugoslavia mostly," I said.

"Austria and Jugoslavia. They are just like us, aren't they?"

"What do you mean?" The men looked at each other and smiled, but none of them explained. And I wasn't going to put words into their mouths.

The men started talking among themselves in Greek. They would look at me as though they wanted to ask me something, and then they would go on talking some more. The man who had been to America was asking me if I'd ever been in Winnemucca, Nevada, and was disappointed when I said no.

The dining-room steward came over and spoke to the men. The men explained that he wanted us to leave because people were waiting to come in to sleep on the table and benches.

We all went out together. The doctor said, "Maybe

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you want to go to your cabin and go to sleep now."

"No, I'm sleeping on deck."

The men were astounded.

"An American, and you sleep on deck! That's very strange. Why don't you have a cabin?"

"Oh, I prefer to stay on deck." I didn't think it polite to tell them that past experiences in cabins on small Greek ships had decided this for me.

"We'll find some chairs and help you get comfortable," said the doctor.

"There aren't any chairs," I said.

"There are chairs in first class. We'll bring them down here. It's late now, there's nobody around."

The men climbed up the ladder to first class and brought back five chairs. But there was no place to put the chairs. We stepped over and around the sleeping bodies on the deck looking for a place. In the stern we found a pile of bundles and furniture stacked loosely against a sewing machine. We piled all the stuff up on the sewing machine and then had some space.

We sat down together in a small circle. The men talked some more among themselves, and then the second man spoke to me in a low voice.

"We are very interested in America. We would like to ask you some questions if you do not mind."

"I'll tell you anything I can."

"We are interested to know if you know Tom Mooney."

So that was it. All the whispering, all the eagerness. O name of Tom Mooney coming out in the dark night on the Cretan sea!

"Oh yes," I said, "I know about Tom Mooney."

"She knows Tom Mooney!" they told one another excitedly.

"I don't know him. I know about him."

"You know Tom Mooney," said the second man slowly, admiringly. "Tell us, how is it with Tom Mooney now?"

I told them. They listened eagerly, their heads bent toward me. They did not like what they heard.

"I am a lawyer in Canea," said the second man. "Ten years ago it was that I told the lawyers in Greece about Tom Mooney. As lawyers we organized and wrote many petitions to your government that Tom Mooney be set free. Later we told everybody about Tom Mooney. And then we sent more petitions. *Aie!* those petitions!

"Maybe some things are better in America than here. But with Tom Mooney—" his whisper became lower, "he might as well be here in Greece. On one of our islands. Certainly he would be more crowded on our islands. There are so many in each cell now, that they have to take turns lying down."

"They've been sending a lot to the islands in the last year?" I said.

"It's not a year yet. Not until next month. He came in in August. Metaxas." The doctor said the name with his lips only, no voice behind it. "You know what I meant when I said Jugoslavia and Austria are like us? We are slaves now. Slaves."

"Yes, we are slaves," said the man who had lived in Nevada. "When we had Venizelos it was different. Venizelos come from my town, Rethymo. My brother fight together with him in the Turkish wars. In Crete we were all Republicans. We are still Republicans."

"Yes, there are still very many who are Republicans," said the third man, "and there are still, even after this year, very many who are more than Republicans.

"I teach chemistry in the high school in Canea. To keep my job I had to attend the centenary celebration of the University of Athens last April. And pay all of my own expenses of course. On the most important day of the celebration, Metaxas came to speak to the students. When he started to speak, three hundred of the students stood up and sang a song which surprised him very much. Did you ever hear of the song, 'La Bandiera Rossa'? That's what they sang. Those boys aren't just Republicans any more."

Well, now I could ask *him* a question.

"Did you ever hear of Zachariadis?"

I was whispering too. The men looked startled.

"So, you know about things in America?" said the chemistry teacher. "Yes, I know him. I was with him in Saloniki in May, '36. There were hundreds of thousands of us there. He led us in the great demonstration against the murders of the striking tobacco workers. He's on the islands. Now we don't even know which one. But we're not going to let him rot there as long as you have left your Tom Mooney."

"It is so late now," said the man who had lived in Nevada. "Nearly four o'clock. We should let the lady get some sleep."

We all shook hands, and the men went down to their cabins. In the morning I saw them again. The doctor stood next to me at the ship's rail as we came into the harbor at Candia.

"In this harbor you can see a very interesting thing," he said. "Far more interesting than Mount Ida. This new harbor and these new piers, which cost the government several hundred million drachmas to build, have never been used. They were finished three years ago. But the Cretans refused to use them as a protest against the restoration of the monarchy. Not one ship has docked yet at these piers."

The little rowboats were coming out to meet the ship. The sea was choppy and they had a hard time getting alongside. It was time for me to go.

"Don't forget," said the lawyer, "give our salutations to Tom Mooney when you get back to America."

I climbed down the ladder and waved to the men when I got in the rowboat. The lawyer shouted down to me, "Don't forget, our salutations from Crete!"

CORA MAC ALBERT

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Shoot the Works

Homer and His Lyre

FRIENDS, or better make it partisans and promoters of Benjamin Stolberg, argue that he has been justified by the march of events. You may remember that Mr. Stolberg, the retired revealer, undertook to save the CIO from itself by acting in the self-assigned role of best friend and severest critic. There were those within theorganization who did not take kindly to Mr. Stolberg's ministrations and he seemed surprised that there should be any hesitancy in accepting his timid offer of a vial of vitriol for healing purposes.

The major portion of the commentator's critique went into the affairs of the automobile workers. Homer Martin was presented as a dedicated soul who sought to save the union from left wingers who would disrupt it. The strategy and sincerity of Homer were held to be above reproach. According to Stolberg the fight was simply one between traditional trade-unionism and a Communist drive to rule or ruin.

But today no friend of Homer could possibly argue that the rift in the ranks falls into any such pattern. Mr. Martin has identified as rampaging Reds a greater number of his fellow members than the total enrollment of the entire Communist Party in the United States. This in itself is a mathematical impossibility. Homer has brought not peace to his union but a sword. Among those arrayed against him in the present set-up are several who served once as trusted lieutenants. Suspicion widens that the conflict has nothing on earth to do with communism, conservatism, socialism or the Single Tax. There seems to be a current opinion among the cohorts of Homer that their chief is just a wee bit inefficient.

That he is dictatorial can hardly be denied and it is even possible that Stolberg, his most ardent biographer, would now admit that delusions of grandeur have grown upon the former preacher.

Once upon a time the legend ran—and Stolberg was one who gave it currency—that John L. Lewis was the great and good friend of Homer Martin and that he deplored all attacks upon this labor leader. Mr. Lewis is a man of tact and he has more faith in autonomous democracy than is generally supposed. It is quite evident that he tried and is still trying to keep hands off the squabble.

But in spite of the scrupulous politeness of Lewis he gave plain indication early in the day of the estimate which he set upon the executive capacity of Homer Martin. When the time arrived for negotiations with the employers John L. arranged that Homer should go on a speaking tour and keep away from the business of dealing with detail.

Martin originally pushed to the front in his union through the gift of gab. Possibly that is too low an estimate. I have heard men who do not like him admit that in the early days of organization he rose to true oratorical heights. It has been my profound misfortune to hear Homer at times when he was decidedly off his game. Both in private conversation and in platform appearance I have found him specious and windy. When first we met he was a glamorous figure as far as I was concerned. All I knew about him was the report that here was a man who almost single handed had tackled one of the toughest crafts in the world and by the power of his personality swung thousands into the ranks of unionism. I know better now. Most of the hard and grinding work of building the union was carried on by men of more ability and experience. Indeed the real pioneers on the job are now among the exiles.

Martin at his very best brought into the labor movement a kind of Billy Sunday fervor. In all fairness to him it is quite likely that he managed to bring many whooping down the aisle to the mourners' bench. That has its place in any kind of organizing work, but it isn't good enough. Investigators who followed the Rev. Sunday in his crusades across the country were unanimous in reporting that his conversions didn't stick. It is less important to get them jumping than to sign them up.

Martin might have remained a gallant figure in the annals of American labor if he had been content to do his turn and then get off in favor of other performers. No slack-wire artist is capable of filling an entire bill. But whether it is a personal trait or something left over from Martin's ministerial days the fact remains that the man is far too jealous in all things. He wants to hog the headlines. His capacity for coöperation is limited because of his tendency to grow suspicious of all associated leaders who show ability. Early in his reign he adopted the fatal device of setting various union men to the task of watching each other. And of course there was no one to watch Homer himself.

When I first met him I was on a job connected with Guild organization. I tried to explain our problems to Mr. Martin in the hope that he might offer sage counsel out of his own experience. But he listened not at all and launched upon a long diatribe about the "Reds." He sounded exactly like a Hearst editorial.

Homer Martin has never changed his act. The meeting to which I refer occurred in Detroit more than a year ago. The only development since has been that the circle of the "Communistic" grows wider and more inclusive. Today if any officer of the auto workers ventures to question a single detail in Homer Martin's pet project for group insurance he is immediately set down as a "Red." In the end, of course, only two patriots will remain out of the entire membership of the union—Homer Martin and Jay Lovestone. And Mr. Lovestone isn't actually a member but merely the man who runs Homer Martin.

Just how Homer manages to set Lovestone into the mold of one-hundred-percent Americanism is a task for which I can offer no explanation. For many years Jay has boasted that he is in his own right the American revolution and he has proudly patted himself upon the back as being redder than the "Reds." Lovestone like Martin is a man in whom jealousy plays its part. Aside from this explanation I can conceive of no sound theory as to what fish Lovestone fries in his effort to bring dissension into the CIO. But I assume that when the dish is cooked Lovestone will not be the last to get a helping.

Martin's ambition, his jealousy and his suspicion have led him to a point where the next subject of his patriotic purge will be John L. Lewis. He is no longer devoted to the

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leadership of the CIO. Already he has begun to flirt with the A. F. of L. The only movement to which Homer can give complete service and perfect fidelity is a Martin movement.

Indeed this estimate could have been curtailed considerably by an apt Scriptural quotation. If Homer Martin wants to know the nature and character of his performance in the trade-union fight he need only open his Bible and look at the thirty-ninth verse of the eleventh chapter of the Gospel according to St. John. HEYWOOD BROUN

Washington Notes

Big Jim as Saviour

IT IS HARD TO ESTIMATE the exact degree of friendship or dislike that Messrs. Roosevelt and Farley now have for each other. There are reports that Mr. Farley is ready to join in a conservative holy war. A trade-association executive spreads the tale that Vice-President Garner and Mr. Farley have signed a secret pact under which they will attempt to control the 1940 Democratic convention and to keep either Mr. Roosevelt himself, or anyone picked by him, from gaining the nomination.

Persons who profess to know Mr. Farley's mind say that such reports are absurd. By the form their denials take, however, they reveal that Mr. Farley is very far from being the unquestioning Roosevelt idolator he was in 1932. What Mr. Farley wants—his friends say—is to save Mr. Roosevelt from his more impulsive self. Mr. Farley's single-hearted aim is to pick a candidate in 1940 who can win, and give the Democratic Party eight more years of office. Presumably this is what Mr. Roosevelt also wants, and the two men will be able to agree. But if Mr. Roosevelt impulsively chooses a left-wing candidate, Mr. Farley will feel it his duty to restrain him. Among "weak" candidates, Mr. Farley's friends list Messrs. Wallace, Ickes, Hopkins, Jackson and most other top-rank New Dealers.

Mr. Farley's friends are not overly enthusiastic about Mr. Roosevelt himself as the 1940 nominee. The ancient prejudice against a third term, they say, would be a campaign handicap. However, in the event of a national crisis in which opposition to a third term would be at a minimum, Mr. Farley would probably favor the President.

Three things allegedly explain Mr. Farley's present coolness. During the past year, Mr. Roosevelt has failed to make use of him in his dealings with Congress. This seems to have come about not through distrust of Mr. Farley, but simply because Mr. Roosevelt was preoccupied with questions of social philosophy in which Mr. Farley had little interest. Nevertheless, Mr. Farley's genuinely sensitive feelings were hurt. In the session just ended, Mr. Roosevelt chose Mr. Thomas Corcoran and Mr. James Roosevelt as the chief guardians of the departmental-reorganization bill. Mr. Farley's friends say that he acted as a free-booter while the bill was before the Senate, and that it was because of his personal appeals that the bill went through.

Mr. Farley's feelings were also hurt by the proposal to "purge" Democratic senators who voted against the Supreme Court bill. In this case, he was duly consulted, but his advice—which was against the "purge"—was turned down. He thereupon departed for Alaska, significantly pausing in Minnesota to urge the Democratic organization there to fight not only the Republicans, but Governor Benson's Farmer-Labor Party. The third of Mr. Farley's grievances concerns his supposed ambition to be Governor of New York. For weeks the New York Democratic organization has been uncertainly seeking a candidate, but Mr. Farley has made no move in his own behalf. It has been rumored that this was because of Mr. Roosevelt's privately expressed disapproval.

Mr. Farley's friends admit the substance of the first two of these grievances, but deny the third. Mr. Roosevelt, they say, has not discussed the New York governorship with Mr. Farley. They add that the strong-willed Mrs. Farley is the real reason why he is not a candidate.

How serious is the danger that Mr. Farley, with his admittedly enormous influence in the Democratic organization, will move into the conservative camp? His friends insist that he is not a reactionary, and has no differences with Mr. Roosevelt over policy—what he is fighting for is jurisdiction. But if the New Deal is to survive, it almost certainly must have leaders of independence and ideals, who would be ready to risk the loss of electoral votes to obtain a permanent social gain. These are precisely the men from whom Mr. Farley, according to his friends, wishes to "save" Mr. Roosevelt and the New Deal.

The news last week that Mr. David Dubinsky, head of the International Ladies' Garment Workers' Union, had formed a moral alliance with Mr. Homer Martin of the United Auto Workers was received by politically minded New Dealers with grave misgivings. However advantageous the alliance may be for Messrs. Dubinsky and Martin, its effect on the political fortunes of labor in the present campaign is likely to be unfortunate. Two consequences have already appeared. The lusty California branch of Labor's Non-Partisan League has been torn almost in two, just on the eve of an important primary election. In New York, the American Labor Party, of which Mr. Dubinsky's ILGWU is the largest constituent union, has been rocked to its foundations. Observers see no prospect that the damage can be immediately repaired. Before the election campaign is over, they fear that factionalism will spread.

Among New Dealers here, there appears to be little sympathy for Messrs. Dubinsky and Martin. This year's campaign is the first in which the CIO has had a chance to show its political prowess. In the 1936 campaign, its valiant and very costly efforts on behalf of Mr. Roosevelt were submerged in an avalanche of New Deal votes. In preparation for the present campaign, the LNPL did a prodigious amount of organization work. The appearance of inner dissension endangers these accomplishments. It makes politicians feel they can disregard labor.

Last week Mr. John J. O'Connor, chairman of the House Rules Committee, announced he would enter the Republican primary in his district, as well as the Democratic. Mr. O'Connor, besides being the man who beat the holding-company bill, is the third ranking Democrat in the House, and one of the first dozen members of his party.

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In some bewilderment, old hands here asked themselves whether the long expected realignment of the major political parties was at last taking place. Many Democratic conservatives have bargained for Republican support, but Mr. O'Connor is believed to be the first of the party leaders to seek the Republican label.

Washington. T. R. B.

Other People's Money

The Worth of Worthless Stock

THE DENVER AND RIO GRANDE Western Railroad has outstanding $62,000,000 of common stock. On top of that is $16,000,000 in preferred stock and $170,000,000 in secured debts. It takes about six million dollars a year to pay the fixed interest charges of this railroad. Last year the road made less than two million dollars available for this purpose. It earned only about one-third its fixed charges.

This being so, here is a question for you. How much is the common stock of this railroad worth? To an investor it is worth nothing. And an examiner of the Interstate Commerce Commission has just reported this fact to the Commission and urged that the stock be wiped out. The road is in bankruptcy where, of course, it should be.

But is this stock worthless? Is it worthless to the gentlemen who hold it and by reason of that ownership can exercise control over this large railroad? By holding this control they can name the officers. They can say where the road shall buy coal and steel. They can say what banker shall handle its financial affairs. These are valuable perquisites of the railroad world. But how can we evade this question? Should the owners of shares which represent no value whatever but the right of exploitation be permitted to do the exploiting? The Denver and Rio Grande is in bankruptcy. Its shares are worthless. Fifty percent of them are owned by the Missouri-Pacific Railroad.

The Missouri-Pacific is in bankruptcy and its shares are worthless also. The Missouri-Pacific is controlled by the Alleghany Corporation, the waterlogged holding company of the late Van Sweringens. Its shares, too, are practically worthless. At least they sold to old man Ball, the glass-jar maker of Muncie, for only $274,000 in 1935. They have since risen somewhat in value. But actually they have no value since they pay no dividends and are fifty or sixty billions behind in interest payments on Alleghany bonds.

So we have the owners of the worthless shares of the Alleghany Corporation dominating the worthless shares of the Missouri-Pacific Railroad and in turn owning and controlling the worthless shares of the Denver and Rio Grande and thus dominating and controlling that road.

The railroad executives are yelling their heads off about government interference causing their troubles. They are yelling at the wrong culprit. The railroads will once again become solvent and useful instruments of commerce when the government does interfere to the extent of putting an end to all the worthless stock, and sending the roads through an efficient wringer which will squeeze out the water and set them up as soundly capitalized corporations and then end by emancipating them completely from banking influence.

There are differing opinions about the present business movement. Most observers think business is actually improving. There are those who think the improvement is negligible and that the hoped-for boom will not develop. But there is very little difference of opinion as to what is looked upon as the cause of whatever revival we may have. That is the government's spending program.

It is pretty generally admitted that the spending program of 1937 had been so extensively curtailed that it brought us into the downward movement which was called a recession. And it is pretty widely conceded that spending will have to be on a very much larger scale than in 1937 before there will be any real "recovery."

How much more are we now spending than we did in 1937? The papers carry continuous attacks upon the spending program. In another section of the same papers there are rosy prophecies based upon the fact that the government is spending. The impression has gotten around that the government is spending upon a vast scale.

But there are some figures which make a comparison with 1937 possible. Here are the figures on the increase in expenditures for recovery and relief:

	1937	1938
May	$208,141,000	$211,479,000
June	231,798,000	315,813,000
July	196,634,000	216,251,000
August (to the 9th)	46,199,000	57,076,000
	$682,772,000	$800,619,000

Of course these are large figures for either year. But they reveal that in three and one-third months the spending has increased over last year only $118,000,000 or only about $35,000,000 a month. This is a lot of money but not much measured against the vast job of lifting to be done.

An examination of the items which make up these totals shows that the increase is due entirely to WPA expenditures. On most other objects the spending this year has been less than last. The loans and grants to states and others for public works are even more significant. Here are the comparative figures:

	1937	1938
May	$11,503,000	$15,867,000
June	22,587,000	12,673,000
July	19,184,000	5,776,000
August (to the 9th)	2,910,000	1,057,000
	$56,184,000	$35,373,000

By the summer of 1937 loans to states and others for public works had just about tapered off to the low point. Yet even that low point was higher than it is in May, June, July and the first part of August of this year.

This is offered without any reference to whether spending is a sound device or not. If it is, then this is not the kind of spending which will produce results.

The difficulty seems to be in getting public works projects actually started.

Meanwhile the stock market has built an attempted comeback on confidence that this spending will get under way.

JOHN T. FLYNN

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A Communication

Our Taxes and Britain's

SIR: Upon one very important matter, Professor Groves's article comparing the British and American tax situation [The New Republic, July 13] may have misled many of your readers. I refer to the notion that, compared with the British, we are a lightly taxed people. This common notion is an error. In answering the question whether it is one, Professor Groves said, "Yes and no, with important qualifications." But the qualifications he specifically presented are really based only upon hope that the present situation may basically change. From a historical viewpoint, there seems little ground for the hope.

This matter is so obviously important, and yet has so many aspects that may mislead the unwary, that your readers may be interested in a somewhat more detailed picture than Professor Groves was able to give in a single paragraph, as part of a quick survey of British and American tax differences. Three reasons can be identified why the ordinary citizen acquires this erroneous notion. First, he may overlook state and local taxes: over *half* the taxes in this country are local in origin, whereas less than *one-fifth* are local in Great Britain. Second, he may keep too much in mind the direct taxation, in particular, the personal income tax: only about *one-ninth* of our revenues come from personal-income taxes, state and national, whereas the British government raises *one-third* its total revenues in this politically courageous way. Third, *deferred taxation*—for that is how the useful fiscal obscurantism, the word "deficit," should really be translated—has of course been far greater here than in Great Britain.

With these common oversights in mind, one can better appraise the four ways by which economists ordinarily seek to measure the economic burden of government. None of these methods of measurement is exact; but together—and even separately—their revelations surely come close to the actuality. As to Great Britain and the United States, all these four methods of measurement present the same testimony: that government now costs us at least as much as the British, and that lately we have been forging ahead. What are these methods of measurement, and what are their weaknesses, so far as accuracy is concerned?

First, there are actual taxes collected, calculated per capita. This is perhaps best conceived of as the *immediate* cost of government. In the fiscal year ending in 1938, total taxes collected came to $107 per person—in both nations!

When taxes are unduly deferred in one country, by means of deficits, this first method of comparison is obviously thrown all askew. For this reason, economists consider the second measuring rod a more accurate guide: *money actually expended* by a government, calculated per capita. Now, of course, money can be spent even by governments for capital purposes. That is, some part of the disbursements may fairly be considered wealth-producing investment, and not irrecoverable expense. Such sums, almost impossible to agree upon, may well be unequal, per capita, in any two countries being compared. In spite of this flaw, this particular method of measurement is, very likely, the most accurate now employable in appraising the true economic burden of government. What does it reveal as to the United States and Great Britain?

In 1936—according to a study made by the Twentieth Century Fund—government expenditures were $133 per person in the United States and $123 in Great Britain. In the fiscal year ending in 1938, the most conservative estimates (conservative, in giving ourselves the break) reveal that total government expenditures, per capita, will probably be somewhere between $127 and $129—in both countries! In 1936, when (as shown above) there was a greater divergency, we had jumped unduly ahead because of the enormous soldiers' bonus in that year.

Thus, these two first measuring rods show that our absolute cost of government, the actual sum the average American pays, is, at the least, no lower than that of the British. But many persons, impressed by this revelation, assume a different position. "We may pay as much per person," they contend, "but we can afford more because we are a richer nation. Thus, relatively, our burden of government is less." Whether or not this is true is revealed by the third method of measurement economists use: the ratio of government expenditure to national income.

But for several reasons, which the circumspect citizen will want to know about, this is a more inexact measuring rod than either of the two preceding ones. First, national income is far from being an exact figure: it includes many unavoidable estimates. Second, it is calculated for the calendar year, whereas government expenditure is given for the fiscal year: thus the figures being compared never correspond as to period. Third, national income includes the sums received by individuals from governments—the very sums which constitute a great part of the total expenditure item. Finally, national income is a far more variable figure than government expenditure. It is completely determined by the current phase of the trade cycle; and the spread, between high and low in national income, is ordinarily far greater in the United States than in Great Britain. This obviously affects the ratios.

Yet, again, in spite of these flaws for measurement purposes, the ratio of government expenditure to national income may be taken as providing a reliable rough measure of the relative government burden in the two countries. In 1936-37, a study by the Twentieth Century Fund revealed, this ratio was 29.7 percent in Great Britain, and in 1936, 28.5 percent in the United States. Just about the same.

In the last two years, this has changed somewhat against us. Figuring fiscal-year-1938 expenditures (these end March 31 in Great Britain and June 30 with us) against calendar-year-1937 income in both countries, a conservative estimate would show a ratio of about 23 percent in Great Britain and about 24 percent in the United States. Still about the same, with ourselves now slightly ahead. But estimating fiscal-year-1939 expenditures against probable 1938 national income shows up very badly for us, revealing how much the business-cycle movements affect this ratio. Take our probable 1938 national income at $57,000,000,000 (a Standard Statistics estimate) and Great Britain's at $25,000,000,000 (a London Economist estimate); then take our total government expenditures

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for fiscal-year 1939 at $18,500,000,000 (a low estimate) and total British expenditures at $7,000,000,000 (a high estimate, almost certain not to be reached), and the ratio will be: 32.4 percent for the United States and only 28 percent for Great Britain.

Under all the circumstances, and particularly with the gyrations of the business cycle in mind, it is safe to conclude that—relatively considered—the economic burden of government upon the two peoples is at the very least on a par.

The fourth measuring rod used by economists in this field is the ratio *of collected taxes to national income*. It is the single one referred to by Professor Groves in his article. It is still more inexact than the preceding one. For, as indicated above, it combines the modern incompleteness of taxes immediately collected, with all the uncertainties centering around the comparative national incomes. Yet, again, it may be taken as a rough-and-ready measure, with a fairly close correspondence to the actuality. What does it show? As Professor Groves himself pointed out, this relative tax burden, in 1936, stood at 18.9 percent in this country, as compared with 20.3 percent in Great Britain. About 1.4 percent difference. But figuring total taxes collected in fiscal-year 1938 against national income for 1937, this relative tax burden comes out almost precisely to 20 percent—for both countries.

Perhaps a cautionary word is advisable about the qualifications to this situation, which Professor Groves necessarily had to present only briefly in his article. He said: "When we were perhaps about ready to catch up in taxes with Great Britain, that country took another jump." But the figures of actual 1938 expenditures in Great Britain, and their projected 1939 expenditures, *include all their added rearmament expense;* in spite of which, it will be seen, in the analysis above, that, in the ratio of expenditures to income, we remain ahead of Great Britain as to both years. In short, they jumped—but so did we; and in 1939, with our new "pump-priming" expenditures, we will outleap them considerably.

The second qualification Professor Groves presents is that the situation "may be considerably understated by the figures, since our income is considerably further below pre-depression levels than theirs." This is true; but it constitutes only one of the uncertainties pointed out above, of any method of measurement involving national income. Nevertheless, it remains undiluted hope to consider that anywhere in the near future our national income will go beyond the 1929 level, whereas Great Britain's already has (it had the most prosperous year in its history in 1937); accordingly, particularly with their better political management, the British are just as likely to rise to new levels of income as we. Moreover, one thing is almost certain not to happen: our plateau of federal expenditures for six years has been over twice as high as ever before in peacetime. Now, our entire fiscal history shows that these plateaus, once reached, never recede. To consider that these annual expenditures will materially lessen, politicians being what they are, also constitutes pure hope, even more than that our national income later on will proportionately rise more than Great Britain's will.

But is it not best to discard all hope and all prediction—one way or the other—in forming conclusions upon such a matter, affecting political and social policy so vitally, as it must? The most necessary thing is to be alive to the present. And one fact, at least, is revealed by all the available means of measurement, inexact as these are: *that it is a gross error to conceive that the burden of government is less in this country than in Great Britain.* Both absolutely and relatively considered, it is at least as great. Most of our burden is merely hidden, by indirect taxation and deficit-financing. It used to be true that, comparatively, we were a lightly taxed people. But in this respect, if in no other, the New Deal has without a doubt carried us into a new era.

This hard fact can of course be interpreted in many ways, depending upon one's political philosophy. But more important than any form of interpretation is, first, mere tough-minded recognition of this new status of affairs. Particularly, it seems to me, this must be true of the liberal whose concern is genuine and not meretricious social amelioration. For unless he recognizes it, he may soon find this end made all but hopeless in this country for a long period. "Too often in recent history," said President Roosevelt, immediately after his first inauguration in 1933, "liberal governments have been wrecked on rocks of fiscal policy." His friends among the liberals have done their own long cause, in my opinion, a tragic disservice in blindly supporting him while he has ignored this bit of wisdom for six years. If ever shoals were indicated, these stony fiscal figures give the warning.

New York City HARRY SCHERMAN

SIR: The writer might quarrel at considerable length with Mr. Scherman over his interpretation of evidence concerning the comparative burdens of government in Great Britain and the United States. For example, if we are to regard governmental debt as deferred taxation as he suggests some account might be taken of the fact that the British have well over twice as much per capita of this burden in waiting as does the United States. However, it seems more useful to stress the following observations concerning Mr. Scherman's analysis:

1. That income is at least as important as taxes or expenditure as a dimension of governmental burden. If we could raise the national income to the 1929 level, on the basis of Mr. Scherman's own estimates, the ratio of expenditures to income would be reduced from 32.4 percent to 22.2 percent. The tax burden is a problem of increasing production.

2. We are spending enough money through government in this country so that it behooves us to be critical of *how* the money is spent. If liberals are unaware of this fact then I agree with Mr. Scherman that they should be told. However, conservatives have not been very helpful in their criticism. Our military outlays particularly might be re-examined. And the government might divert expenditure from relief or near-relief to outlays such as housing which have an investment character and are largely self-liquidating.

3. Governmental burdens depend upon the *kind* of taxes as well as the *amount*. The British program which features personal taxation better suits the needs of a modern economy than our system which features property and sales taxes.

HAROLD M. GROVES

University of Wisconsin, Madison, Wis.

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The Bandwagon

Japanese planes, which have been blasting the way for land troops, bombed the mission of the Reformed Church of the United States at Yochow, a few miles south of Hankow. No casualties were reported, but a number of Chinese were killed. – *United Press dispatch from Shanghai, published in The Detroit Free Press.*

As a matter of fact the British see no reason why the French should distrust Lord Runciman's ability to tackle the difficult job of diplomacy. Lord Runciman was a member of the Asquith Cabinet that brought Britain into the war in 1914. . . . – *From a London dispatch in The New York Times.*

Collectivism is the basis of society of the bees and ants. But who wants to be an ant in an anthill or a bee in a hive? I will not conceal my own answer—I do not wish to be an ant and I do not wish to be a bee. – *Mark Sullivan, newspaper columnist, in a commencement address to the graduates of the Russell Sage College for Women, Troy, N. Y., quoted by the Associated Press.*

You Mean Turkeys?

This town has a habit of looting Hollywood's stars. . . . Many merchants make a practice of overcharging them; most landlords raise the ante when a screen celebrity wants to rent a house. It isn't fair and I hope the day will come when the general public will realize that it is not good business to kill geese which lay so many golden eggs. – *Jimmie Fidler, in his syndicated column.*

Taking the Pie out of the Sky

The giving of relief by the State . . . gives to the recipients of the State aid the impression that the government shares more in their sufferings and privations than the church, the defender of the cross of Christ. – *The Rev. C. Everett Wagner, speaking in the Union Methodist Episcopal Church, New York City, quoted in The New York Times.*

And Where Is "We have No Bananas"?

Projects—with a capital "P"—have introduced a new note, and we think a sad note, to American politics. . . . Where are the old struggles over principle—16 to 1, and the big stick, and, for that matter, two chickens in every pot? They have evaporated in an ugly fog of projects. – *From an editorial in The Omaha World Herald.*

Not-for-Nothing Department

It is not for nothing that there is a proverb in many languages which tells us that "England is every dog's spiritual home." It is easy to laugh at this trait, to point to fat English squires with their bulldogs and old English maids with their pugs. But it is, to me, a very lovable trait. A nation which shows so much solicitude for the dumb creatures of the world is a nation to which power may be entrusted without misgivings. – *Beverley Nichols in his new book "News from England."*

Our readers are invited to contribute to this column and $1 will be paid for each item used. Address The Bandwagon, care of The New Republic. – THE EDITORS

Correspondence

The Lunatic Fringe

SIR: In your reply to a communication from the editors of Soviet Russia Today, in your issue of July 6, concerning the Moscow trials, you state that Rakovsky's statement, "when adventurers are successful, they are called great statesmen," supplies the basis for a theory which still seems to you the best explanation of why revolutionaries become traitors. You permit as an alternative only the doctrine of original sin.

May I recommend to your attention an explanation of this phenomenon far more carefully thought out than the theory you have presented. This is the chapter, "The Psychology of Trotskyism," appearing in R. Osborn's admirable recent study, "The Psychology of Reaction," published this year by Gollancz and available to members of the Left Book Club for three shillings (I shall be glad to tell you how Americans can get it at that price, if you do not already know).

In brief, Osborn's point is simply that every radical movement attracts to itself a sort of "lunatic fringe" of exhibitionists and other emotionally maladjusted persons who find the radical movement an outlet. When the radical movement has achieved the revolution and must commence the prosaic job of building, they are unable to adjust to the new situation and must continue revolutionizing. As the Communist Party of the United States is still a revolutionary organization it contains within it, as all know, a number of such individuals, who appear to be driven away, however, by the Party's demands for disciplined, ordered work. I belong to no party and the number of either Communists or Trotskyites I have met is a pretty inadequate statistical sample, but each of the Trotskyites has seemed to me to be definitely psychopathic. . . .

Cambridge, Mass. HARRY B. WISSMANN

Another View of the Fur Strike

SIR: The article by Lee Lorch on "The Fur Strike" (August 3) is so full of errors, distortions and downright misstatements that I think you owe it to your readers to publish this brief attempt to set the record straight.

Every fur worker knows that the outcome of the fifteen-week strike was not a "most significant" victory but rather some minor gains more than balanced by the abandonment of the union's chief demands, especially security on the job.

According to Mr. Lorch, "job security was extended over the entire season." Mr. Lorch should know that only those who are fortunate enough to work in the first week of May are entitled to the eight-months' division of work; all the others, and they constitute the great majority, are not entitled to it and have gained little in this respect. In short, this central and most vital demand was given up by the union leadership

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which, only a short time before, had sworn it would rather resign than do so.

According to Mr. Lorch, the "trial period has been halved." Mr. Lorch should know that this too applies only to a minority of workers, only those who start working before June 1. Workers who start after June 1 are only "temporary" workers and are entitled to only four weeks' division of work after the trial period.

There has, in fact, been created an under-privileged group of virtually permanent "temporary" workers who are not entitled to most of the rights under the agreement. Nothing like it is known in any of the other needle trades.

According to Mr. Lorch, "wages were increased." Mr. Lorch should know the new agreement provides for "collective July increases" of from $1 to $6 weekly, and that only to permanent workers whereas, in the past, a business agent was regarded as a very poor negotiator indeed if he could not obtain a "July raise" of at least $5 to $6, and raises of $15 were by no means unusual.

These are notorious facts, only too well known to every fur worker. Apparently they are news to Mr. Lorch.

Mr. Lorch refers complacently to the "confidence which they [the furriers] have in the union administration," to the "unity of the fur union" and to the "genuine collective leadership" supposed to reign therein. How far this is from the truth can be seen from the fact that the Gold-Potash administration, really a branch of the Communist Party, is now for the first time confronted with a united opposition composed of all non-Stalinist elements in the union and that candidates of this opposition polled as much as 30 percent of the vote in an election that we have more than enough reason to regard with suspicion.

BENJAMIN BARAZ, *Secretary*,
Brooklyn, New York United Furriers' Progressive League

SIR: The "notorious facts" enumerated by Mr. Baraz are as unknown to the fur workers as to me. His statements constitute an amazing collection of irresponsible falsehoods.

All workers, not only "those who are fortunate enough to work in the first week of May," have job security for the entire season (May 1—December 31), after a two-week trial period. Mr. Baraz's claim that this trial period applies only to those who start work before June 1 is simply nonsense.

His reference to temporary workers is wildly at variance with the facts. After June 1, employers may hire 20 percent temporary help, guaranteeing them six weeks' work. Thus, workers normally employed in retail or trimming shops (where the season starts much later) have a chance to get a good deal of extra work in the wholesalers' rush season. This device, Mr. Baraz notwithstanding, is known to *all* the needle trades, but is under strict union control only in the fur trade.

Likewise is his reference to the wage increase inaccurate. Mr. Baraz speaks only of the July raise, of seasonal duration. He fails to mention the general increase of $2 to $4 which is good for the life of the agreement. Even his statement concerning the July raise is misleading. The automatic raise does not stop individual bargaining. Last year the July raise amounted to about $35,000. This year it surpasses $50,000.

If Mr. Baraz's claims were anywhere near true many workers would have been discouraged from voting in the recent elections. There was a record turnout. The opposition slate would have polled a large vote. Instead it lost about five to one, despite the support of The Forward and very favorable publicity in the metropolitan press.

The United Administration, again contrary to Mr. Baraz's statement, does not consist only of Communists but includes Socialists, right and left, and non-partisan workers. The "united opposition" is a queer Lovestoneite-led conglomeration whose behavior during the strike it has found difficult to explain. It vigorously sought to organize distrust and schemed with all sorts of corrupt elements in a desperate effort to undermine the administration. Detailed evidence of this scheming was made public by the union manager and has never been denied.

Incidentally, one legitimate correction should be made of an error resulting from an editorial change made after I last saw the piece. As printed, it says that the "total output was limited" in the new agreement. I wrote that the "employers' productive work was limited." This means that the amount of mechanical work an employer can himself do is now restricted and thus increases the amount of work available to workers.

New York City LEE LORCH

Lovestone Speaks for Himself

SIR: Please allow me to correct some of the wrong impressions and false conclusions which flow from an article on the auto union in your August 10 issue. In this article you say:

After a little more delay, Jay Lovestone, to whom President Martin had apparently submitted The New Republic manuscript, telephoned from his New York office to supply a welcomed minor correction in fact.

1. It was not a "minor correction in fact" that I made, but a correction of a serious major and clumsy misstatement of fact. I telephoned Mr. Bruce Bliven Jr. to the effect that I would sue you for libel if you would print the following item:

Without success he (John L. Lewis) tried to get Martin's Progressives to join in a unanimous statement to waiting reporters that all was harmonious. There were more conferences and finally Martin withdrew to Jay Lovestone's room at the Hotel Ambassador where (it was a hot day) there was cracked ice and ideology. Emerging, he handed suspension tickets to UAW Vice Presidents Frankensteen, Mortimer, Hall and Wells, plus its Secretary-Treasurer George Addes.

After this conversation, you saw fit not to print these "facts." In a sense I am sorry that you omitted the above "facts" because their appearance in your columns would have helped reveal the fraudulent character of the entire information given to the author of the article by the Stalinite clique in the UAWA.

I was not at the Hotel Ambassador nor anywhere near Washington on the day, week or month in question. Besides, I did not in any shape, manner or form at all propose the action taken by the Executive Board of the UAWA against the Stalinite union splitters and dual unionists.

Men of sterling character and of national prominence in the American labor movement can be called upon to substantiate these statements of mine.

2. The author, probably with the best intentions, wrongly implies that I saw his article before it was published and that, except for this "minor correction" I did not challenge the opinions, veracity or "facts" therein. This is entirely untrue and grossly unfair to me. Had I seen the full article as it appeared in your columns, I would have considered it useless to draw your attention merely to this one glaring falsehood which would so effectively help put in their proper light the rest of the "facts" and accusations leveled by the Gebert-Frankensteen disruptionists against the UAWA through author W. L. White. I am afraid this author has been taken for a ride by some self-confessed Stalinite "experts." The latter have simply taken advantage of Mr. White's nobility of motives and have—without his being aware of it—used him and thus your columns for relaying and peddling plain frauds and unvarnished distortion of the facts of the auto union situation.

3. Finally, I assume that author White had been given special

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reasons for saying "President Martin had apparently submitted The New Republic manuscript," etc., to me. This is merely another painful overworking of the imagination. I hasten to reaffirm that if I had seen, before your publication, more than the excerpt sent on to me by my Detroit friends (and not by Mr. Martin) who inquired about its fantastic nature, I would not have uttered a syllable to you about the manuscript. I could thus have rendered a service to the labor movement and to your readers by facilitating the exposure of the whole article as a tissue of crass distortions.

I am somewhat surprised that Mr. White did not see through the rest of the "information" given him by the Stalinite agents as he admits he did in this "welcomed minor correction of fact."

New York City JAY LOVESTONE

America and Fascist Aggression

SIR: I am afraid Mr. Louis Fischer—to judge from his letter in The New Republic of August 10—does not quite understand what I was getting at in my open letter to Lewis Mumford. He remarks: "The propositions of people like Mr. Eliot on why the world should not oppose fascist attacks boils down to an unfounded fear of what might happen." I have never said, nor suggested, that "the world" should not oppose "fascist attacks." I did say, and shall continue to say when opportunity offers, that the *United States* ought to stay out of other people's wars and "incidents." The fascists are part of the world, after all, deeply as we may deplore it, and to speak of "the world" taking action against them is the sort of unreal thinking which merely serves to confuse the issue.

I quite agree with Mr. Fischer's thought that Germany and Italy are too weak to fight France and Britain, and that greater firmness at Paris and London would be productive of a better state of affairs in Europe. But that is a French and English baby; there is no reason why we should nurse the child, the less reason when one considers that the parents thereof are amply able to do the job.

As for the Japanese in Borneo, I might remark that while Japan can continue to make war on China even though the latter continues to receive munitions, she could not make war at all without petroleum. There is a difference in the two situations worth pondering.

There is no relation whatever, in the strategical sense, between the position of Italy at the time of the Ethiopian war and that of Japan today. To attempt to draw such a comparison is merely another contribution to unreality.

I am not "afraid to take peaceful action against fascist aggression" when such aggression is directed against, or becomes even remotely dangerous to the United States. I do not, in fact, believe in "peaceful action" in such circumstances. The action I would favor would be the reverse of peaceful. But I think we have had just about enough of "making the world safe for democracy," and of the gratitude of allies; if we are going to fight, or take action which may lead to fighting, let us in Heaven's name do it in our own interest and with a single eye to the advantage and security of the United States.

New York City GEORGE F. ELIOT

Escape from Westchester Women

SIR: "What indeed?" was the conclusion of Bruce Bliven's article on "Westchester Women" [The New Republic, July 27]. At the risk of joining those fools who rush in to answer rhetorical questions, I'd like to put down my two cents' worth.

I too was graduated from Wellesley College (in 1937), and although I've never been a "chain-store daisy" I've had my fill of these women who hate Roosevelt. Their manners and their morals disturb me less than the venom that they call their political philosophy, resulting from a combination of ignorance, selfishness and fear.

Happily I escaped from these "Westchester Women" and their ilk, first into the National Labor Relations Board, where I worked as a government interne, and now into a trade union—where I have a job as social director. So I've had a chance to see that these women represent no more than a useless minority, a dead arm of society.

The girls that I meet every day in the union—these, and all the other workers in industry today—are the people who count, for their interests are the interests of the majority. Realizing the importance of these people, the union offers them an education which may make up for the "money and advantages" squandered by Westchester women, *et al.* Classes in social psychology, current events, literature, English and trade unionism give these girls an idea of the world they live in, the part they can play in it.

This kind of education is going on all over the country—in the Bryn Mawr Summer School for Women Workers in Industry, in the Cumberland School in Kentucky. Here is the growing flower of American civilization.

New York City MARY LOUISE BARTLETT

From The New Republic Mail Bag

Cheves West Perky of Philadelphia, Pennsylvania, writes that although The New Republic has been his favorite magazine for years, he is troubled at our being so careful "in giving the Devil his due when . . . he owns practically the whole world already." . . . Aubert E. Bruce of Claremont, California, regards it as strange that no one has yet suggested Mrs. Eleanor Roosevelt as a candidate for the office of President in 1940 (Mr. Bruce is in error: she has been suggested several times in the recent past). He regards her as an admirable choice and nominates, as her running-mate for Vice-President, Miss Josephine Roche. . . . Donald G. Kobler of Commonwealth College, Arkansas, announces that the college's regular fall term will begin October 3 and will last twelve weeks. Tuition is $60 for the quarter in addition to twenty hours a week of work.

Roger N. Baldwin, director of the American Civil Liberties Union, New York City, writes about the course in social action to be given from October, 1938, to June, 1939, at The New School for Social Research, New York City.

What's on the Air?

Thurman Arnold, Assistant Attorney-General of the United States, talks Friday, August 19, 10:30 P.M., CBS.

Raymond Moley, James W. Hook, New England industrialist, and two workers engage in a round-table discussion on "The People's Platform" program, Sunday, August 21, 7 P.M., CBS.

Admiral Emory S. Land, chairman of the Maritime Commission, speaks Monday, August 22, 10.45 P.M., CBS.

Musical and dramatic programs of the week include the Chautauqua Symphony Concert, Sunday, August 21, 3 P.M., NBC-Red Network; the New York Philharmonic Symphony Orchestra at the Silvermine Festival, Sunday, August 21, 8:45 P.M., CBS; the Chicago Civic Opera Orchestra, Monday, August 22, 9:30 P.M., NBC-Red Network; the Wisconsin Symphony Orchestra, Tuesday, August 23, 10 P.M., NBC-Red Network; Alfred Wallenstein's Sinfonietta, Tuesday, August 25, 8 P.M., Mutual; "Strange Interlude" (part II), by Eugene O'Neill, Thursday, August 25, NBC-Blue Network; and a "Pop" concert by The Minneapolis Symphony Orchestra, Friday, August 26, 11:30 P.M., NBC-Red Network.

All times given are Eastern Daylight Saving Time.

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Books in Review

Miss Thompson Goes to War

THE BEST AND THE WORST of Dorothy Thompson are in these two books.[1] The best is a militant generosity, a deep and abiding hatred for race prejudice, and a resolute determination never to blink a mean trick even when it is played in the best of causes. The worst is a failure of clarity, a punditical "either-or" method of analysis that results in an oversimplification and even a complete falsification of issues. The best and the worst are complements of each other; they are, in fact, the distinguishing characteristics of that peculiarly American phenomenon, the evangelical liberal. Dorothy Thompson is the type, wholly sincere, that had us hating the Hun and responding to the brave Wilsonian slogans back in 1917. Maybe the war had to be fought; maybe it has still to be won. But I can't forget that Randolph Bourne was alive in the Wilsonian years, telling American liberals that the cost of spending their rich and generous emotions on a distant enemy would lead to a spiritual exhaustion that would take its toll at home. The Bourne analysis proved right for 1917; and that is why I distrust Dorothy Thompson's fight-at-the-drop-of-a-hat-three-times-a-week crusading temperament today.

Not that a good hot crusade isn't sometimes necessary. But the main thing is not to mistake the enemy. Dorothy Thompson has a habit of trying to exhaust our emotions in sham battles. There was the reorganization-bill dither, for example. I am not certain that the bill was the best possible bill, but I am quite certain (and will prove it to anyone for ten cents) that its passage would have meant little one way or another to the future of American democracy. In Washington the whole squabble looked like a dirty business, with the opposing Senators and Representatives fighting like fishwives to satisfy personal grudges or to preserve their own particular little patronage reservoirs and pipelines into bureaus. But to Dorothy Thompson in New York the fight was another Armageddon.

Again, when Bob Jackson made his remarks about the menace to democracy inherent in the concentration of wealth, it sounded to most liberals like sane analysis. Rome in the days of the *latifundia*, France before the Deluge of 1789, and most of the middle-European countries today, all go to prove that the Rights of Man aren't compatible with a topheavy concentration of ownership, with its resultant limitation of access to the economic means of getting wealth. That is all that Bob Jackson was saying, but to Dorothy Thompson he was Goebbels. By such a method of condemnation any sincere critic of the workings of modern finance capitalism can be put into the Nazi camp. It has not occurred to Miss Thompson that the method makes no distinction between sincerity and charlatanry, truth and demagogy. To her way of thinking, all critics of plutocracy are Fascists merely because the Hitlerites criticized plutocracy in their early platforms. By this token Thomas Mann must be a Fascist, for he has recently criticized the plutocratic excesses of the liberal democracies. But Dr. Mann didn't name names, so perhaps he is not a "demagogue" after all. Bob Jackson had the bad taste to document his case by indicating the actual identity of the enemy, which, forsooth, makes him a Goebbels.

The worst of Dorothy Thompson is uppermost in the "Political Guide." Here, among many sound definitions of terms, we find the familiar parade of angel-devil sociological clichés. The New Deal has "merely changed the composition of predatory groups." The two houses of Congress have "capitulated in a manner unique in their history." Neither the A. F. of L. nor the CIO "presents a sensible program." There is "no such thing as a partial economic dictatorship." The "Federalist" is "the greatest American political document." Such are the characteristic *obiter dicta* of Dorothy Thompson in her "Political Guide." The fact that none of these statements is anything more, at best, than a partial shading of the truth does not concern her. She is more interested in making us Take the Field than she is in establishing the identity of the enemies of liberalism.

To prove the point let us take some of the *obiter dicta* apart. Has the New Deal done nothing more than substitute one gang of gimme artists for another? Then what about the SEC? What about TVA? What about basic legal changes that guarantee labor the right to organize and bargain collectively? Are Soil Conservation and WPA to be judged only as predatory Robin Hood stuff? The answers to these questions involve complex analysis; they cannot be contained in an epigram that ignores the conditions imposed upon Roosevelt by seventy years of back history. Again, is it true that the two houses of Congress capitulated to Roosevelt in a manner "unique in their history"? Then what about the capitulation to Wilson when he asked for war in 1917? And what about the capitulation in 1925, when Calvin Coolidge demanded nothing from Congress and got it? The purely rhetorical nature of Miss Thompson's dictum is apparent when we think of Roosevelt's 1937-8 Congress, which has been one of the most stubborn in our history.

I don't know what Miss Thompson means by saying there is "no such thing as a partial economic dictatorship." But if she means that control by government of some of the economic factors necessarily means control of all the factors, she is flying in the face of history. Does prohibition of child labor—even *dictatorial* prohibition—necessarily mean that a manufacturer can't sell his product for the price it will bring? Does wage-hour limitation mean that a buying agent can't settle for the materials he wants to use in a given shirt or motor car? The truth of the matter is that many governments exercise a partial control—or a partial dictatorship—over the economic system. In arguing against "planning," Dorothy Thompson fails to mention

[1] Dorothy Thompson's Political Guide. New York: Stackpole Sons. 120 pages. $1.25.

Refugees: Anarchy or Organization? by Dorothy Thompson. New York: Random House. 139 pages. $1.

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the fact that you can plan in a limited way without jeopardizing freedom of choice on whatever economic fronts you choose to leave alone. The Czechs have "planned" it so that no individual farmer can own more than 350 acres of arable land. But that doesn't mean that the peasant isn't "free." As for Dorothy Thompson's defense of the "Federalist": does she not know that the "Federalist" papers were merely propaganda for a certain view of the Constitution—a view, incidentally, that did not care particularly for the Bill of Rights?

If I have been unduly captious about Dorothy Thompson's "Political Guide," it is because columnists, unlike those who merely write books, are seldom subjected to criticism. Their positions tend to breed arrogance in them. But the old Dorothy Thompson of pre-columnar days speaks in "Refugees: Anarchy or Organization?" Here is outlined a program for settling refugees that might work. Its features do not involve an infringement of the sovereign rights of any nation. Briefly, the proposal is to capitalize an international company with blocked currencies. These blocked currencies could be used to buy enough capital goods from the dictator countries to start refugee colonies in Brazil and other frontier nations. The merit of the proposal is that it would appeal to the selfish instincts of Germany, which is anxious to build up its export trade.

JOHN CHAMBERLAIN

Dickens and the Revolution

Charles Dickens: The Progress of a Radical, by T. A. Jackson. New York: International Publishers. 313 pages. $2.25.

MR. T. A. JACKSON, an English Communist, argues that Dickens was a radical by choice as well as instinct. He argues, furthermore, that Dickens' novels picture the successive stages of radical opinion from the Reform Bill of 1832 to the founding of the First International. The early work, full of optimism and animal high spirits, was written when the Chartist agitation was at its height. The later novels were written in the mood of discouragement that prevailed after 1848, when the revolutionary movement had been defeated all over Europe. But these were the books, precisely, in which Dickens attacked the evils at the root of bourgeois society, instead of confining himself to minor abuses. And Mr. Jackson concludes that "Dickens' radicalism, instead of mellowing in the sunshine of prosperity into a mere benevolent liberalism . . . did the reverse. It stiffened, hardened and deepened into something that with a little outside aid might easily have emerged as positive socialism or communism."

There is no doubt that Mr. Jackson rides his argument too fast and too far. He tends to neglect the evidence against it—especially the biographical evidence—and he makes too much of John Forster's remark that Dickens' opinions were much more "subversive" than it was expedient to publish; almost any honest opinion would seem subversive to John Forster. On the other hand, it is absolutely true that the angry rebellion of Dickens' later and greater novels has been neglected by most critics. The novels themselves have been neglected, and the myth has been spread that after "David Copperfield," in 1850, Dickens showed signs of "failing powers." That is a judgment based—as Mr. Jackson shows—on political conservatism and social snobbery.

An unexpected merit of the book is that it gives you so much of Dickens himself. It tells the plots of all the novels and thereby proves that the later ones are not in the least "confused" or "episodic"; they are closely knit together and calculated to produce a single effect. But best of all the book quotes abundantly from Dickens' work and thereby makes you realize once more—if you had ever forgotten—that the man had an astounding and absolutely unequaled gift for creating people and for picturing the streets and houses in which they lived. There is hardly a sentence he wrote that doesn't tingle with excitement. In the midst of Mr. Jackson's cold and rather schoolmasterish prose, the quotations from Dickens himself are like live things in your hand, purring, scratching, squirming and, as it were, getting ready to spring from books into the world.

MALCOLM COWLEY

Saint Among Statesmen

My Life as a Rebel, by Angelica Balabanoff. New York: Harper and Brothers. 336 pages. $3.75.

THIS IS NOT ONLY the autobiography of a truly devoted friend of the working class; it is also an invaluable historical document on the origins of both fascism and communism. Angelica Balabanoff was the only person to be at once the intimate friend and associate of both Lenin and the early Mussolini. Born of rich Russian parents, she gave up wealth and position to join the pre-War socialist movement. After some years as a student in European universities, she came to Italy at the turn of the century and became one of the leaders of both the Italian and the Swiss workers.

It was she who at Lausanne literally picked the neurotic and diseased Mussolini out of the gutter and gave him work and some degree of faith in himself—a confidence which increasingly turned into egomania. There has seldom been a more dramatic contrast in motives than when this woman who had stepped down into the ranks of the workers befriended and raised the son of the lower-middle class, who was seeking to use the masses as a stirrup whereby he might rise to power and betray them.

Mme. Balabanoff later became—with Mussolini—the co-editor of Avanti; and there witnessed his constant instability, his cowardice under stress, and in 1914 his final betrayal. Although Mussolini had accepted large sums of money from the French agent, Marcel Cachin (who has since become a Communist leader), and was already pledged to advocate Italian intervention in the War, he denied all such charges until he confirmed them by the editorial which he secretly wrote and printed. The European statesmen who now quail before Mussolini's braggadocio would do well to read these chapters and to learn that behind the bluster of his early years there was always a cowardice that made him yield abjectly when men faced him with courage. It is, indeed, this inner lack that makes Mussolini swagger as he does. Looking back over her crowded life, and on the basis of her ten years of intimate association with him, Mme. Balabanoff classifies

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Mussolini as the most despicable individual she has ever known.

The Italian Socialist Party continued to oppose the War even after Italy entered it, and Mme. Balabanoff represented the party at the Zimmerwald and Kienthal conferences. There she again came into contact with Lenin. After the March revolution she returned to Russia, where, after a time, she joined the Bolshevik Party. She served for a year as the head of the Zimmerwald committee —in effect, the Bolshevik window upon the western world, from which she scattered anti-war propaganda in both the Allied and the Germanic countries. She was then pressed into action as Commissar for Foreign Affairs in the ostensibly independent republic of the Ukraine. Finally, despite growing scruples about Communist methods, she was made the first secretary of the Communist International, only to find that the real power was in the hands of Zinoviev and a secret committee.

She became increasingly shocked by the way in which Zinoviev and others, with Lenin's consent, sought to split and cripple even the militant Socialist parties, like the Italian, and insisted upon creating subservient sects which would follow their orders without question. To do this they would, as Mme. Balabanoff abundantly and specifically testifies, bribe "adventurers, opportunists and even former red-baiters" to carry out their bidding, and would slander honest leaders, like Serrati, who tried to keep their movements militant but independent. She shows, for example, that it was the followers of Serrati who wanted to turn the Italian sit-down strikes of 1920 into a movement for the social revolution; and it was largely the Communists who held back. But after the venture had failed, the Communists almost immediately attacked the other wing as being saboteurs.

Mme. Balabanoff was also horrified at the internal tactics of the Bolsheviks and their practice of wholesale reprisals, in which the members of an entire faction would be punished or shot for the actions of an individual member—a policy which Communists as well as liberals have always attacked in capitalist countries. She discovered that the so-called Count Pirro, the ostensible Brazilian Ambassador to the Ukraine, parading as a bitter anti-Bolshevik, was really an agent of the Cheka who was being used as a decoy and agent-provocateur to send men and women not only to prison but to death. She protested to Djerzhinsky, the head of the Cheka, about this and other incidents, but to no avail, since the latter was convinced that no revolution could be maintained without terror. Then, when she went to Lenin, his only reply was, "Comrade Angelica, what use can life make of you?"

Mme. Balabanoff opposed these methods not only because she considered them unworthy of a socialist regime, but also because she believed "that they would, in time, corrupt those who used them." In a passage full of insight, she points out that the Bolshevik leaders followed "the path of least resistance in that sphere in which it is most dangerous to do so—the sphere of human relationships between the powerful and the powerless, those who command and those who obey," and that these tactics, if continued, would inevitably destroy their initiators.

Since her departure from Russia, Mme. Balabanoff has kept herself aloof from factionalism. Although no Stalinist, she has refused to affiliate with either the Trotskyites or the Second International. She remains what she has always been—a supporter of the working class, a determined anti-fascist, and one who believes that the means as well as the ends of economic action are important. Undoubtedly some will question her general judgment by pointing to her tragic mistake in promoting Mussolini to a position of power. Others will regard her as lacking in the ruthlessness which they believe is needed in a period of transition. But to me it seems that the history of the last twenty years demonstrates the great failure of ruthlessness and of Machiavellianism as techniques for achieving a better social order. In the beginning, these tactics were applied to opposing economic classes, then to parties which were rivals for the favor of the workers, then to dissident groups within the Communist Party itself, and finally to personal rivals for power. The result has been to split and to embitter great masses of humble and simple people who, had they been treated as the human ends of action and not merely manipulated as means, would have been a far greater force for a more just and humane society. Rosa Luxembourg, who is commonly regarded as an orthodox Communist, sensed this implicit danger even earlier than Mme. Balabanoff:

> Without general elections, unrestricted freedom of the press and of assembly, free conflict of opinion, life dies out in every public institution, becomes a mere semblance of life in which the bureaucracy remains alone as the active element. No one can evade this law. . . . The actual leadership is exercised by a dozen preëminent brains and a selected group of the workers is invited to meetings from time to time to applaud the speeches of the leaders and to approve by unanimous vote the resolutions laid before them. What we have then, at bottom, is a clique economy, a dictatorship to be sure, but not the dictatorship of the proletariat.

My own judgment is that both of these women have already been proved right by the inevitable social consequences of such actions. Those Marxists who do not realize the truth of all this seem to me to suffer from a curious mental and moral obtuseness which prevents them from realizing that there is as much of a law of historical necessity in the consequences of ethical choices as in the results of technical and material change.

Certainly the protests which a woman like Mme. Balabanoff raises against injustice and cruelty have a fundamental sincerity which is lacking in those of Trotsky who, when in power, connived in the very same type of actions that he now deplores, and who in his brochure, "A Defense of Terrorism," defended mass shooting as a means of breaking the will of his opponents. He, therefore, cannot object either on the grounds of abstract justice or on the logic of historical consequences if the same tactics are now used against him and his supporters.

Mme. Balabanoff's life story is not only fascinating in its personal memoirs and as a historical narrative, but it is also inspiring in showing how some men and women have the moral courage to give up power as well as wealth in order to be true to their ideals. Without the slightest touch of priggishness, it should show to the most hardened realist that a better social order requires character on the part of its advocates, and that improved economic machinery is not enough.

PAUL H. DOUGLAS

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Housing on the March

The Challenge of Housing, by Langdon W. Post. New York: Farrar and Rinehart. 325 pages. $3.50.
Housing Comes of Age, by Michael W. Straus and Talbot Wegg. New York: Oxford University Press. 259 pages. $2.75.

THESE TWO BOOKS divest housing of its fearsomeness. Figures they have aplenty, but they also—Post's book especially—give a full-bodied picture of the struggle against the nation's firetraps and germtraps. Solutions, too—but solutions which are practical and clearly presented. Moreover, the author of neither book spends much time in speculation; both write of things that have been done in housing and things that are being done. And they know their subject. Langdon Post has been New York Tenement House Commissioner and Chairman of the New York City Housing Authority. Michael Straus (not to be confused with Nathan Straus, chief of the United States Housing Authority) and Talbot Wegg both worked for the late PWA Housing Division, predecessor of the United States Housing Authority—upon which all three authors base their hopes for the future of low-rent housing.

What Paul De Kruif's "Why Let Them Live?" has been to medicine, Post's book promises to be to housing. The ex-chairman of the New York City Housing Authority writes with the same bitter pen: "No more sunlight reaches the dark, damp rooms of the slums when the nation's income is eighty billion dollars a year than when it is forty billion dollars a year. There are just as many deaths from tuberculosis in the slums when the United States Steel Corporation declares a dividend as when it does not. Values of stock may go up or down, dividends and bonuses may be paid and melons cut . . . but a third of the population still lives in the slums."

"Who makes the slums?" asks Post. His answer lays the blame upon speculating real-estate operators, jerry-building contractors, architects unable to understand the first principles of housing, bankers who invested in houses upon fantastic expectations of future profit and, above all, on municipal governments that sold down the river the future of their cities.

Building codes alone cannot provide an adequate solution to the slum problem. The result of the New York Tenement House Law of 1901 was a more intensive use of land than ever before. Even if the law had been all-embracing, it could not have been very effective. Before the LaGuardia administration building regulations were scarcely ever enforced. But enforcement itself, as Post learned during his activity as Tenement House Commissioner, leads up a blind alley. Unless new homes are built for the tenants forced out of demolished slum dwellings, overcrowding is aggravated. New homes are needed. Private industry can build them, but not at a cost which will allow low-income groups to live in them. Hence the municipal governments, assisted by federal subsidy, must walk in where the private building industry now fears to tread.

The United States Housing Authority provides for exactly this solution. But political domination of local housing authorities must be avoided. If the LaGuardias are allowed to exercise a benevolent dictatorship over a housing program, just think what the nation's Tammany Hallers will get away with! Post's successor as Chairman of the New York Housing Authority comes in for a verbal spanking. The soap bubbles of "rehabilitation," private home ownership and FHA are politely punctured. A little too much emphasis is laid upon the desirability of building low-rent homes on centrally located slum sites. Credit long overdue is given to New York's tenant organizations: "They picketed City Hall; they picketed the banks, the Tenement House Department, the New York Housing Authority, the Mayor's house and the Governor's house; they marched on Albany and Washington, they demanded to see the President—and they did. They demanded action, not words—and they eventually got it."

Whereas Post looks at PWA housing and sees only the red tape and the bureaucratic machinations of Mr. Ickes, Straus and Talbot's "Housing Comes of Age" presents a history of the PWA from the viewpoint of insiders. The obstacles that delayed the construction of the PWA's fifty-one projects were so numerous that one wonders how they ever neared completion. Under the PWA, housing was part of the emergency recovery program initiated in 1933. When more money was needed for relief in 1934, it was taken from the Housing Division. In 1935 the appropriation was expanded, only to be curtailed again two months later. In the beginning the newspaper attack on public housing was especially vicious. In January, 1935, a Kentucky judge denied the Housing Division's claim to eminent domain. It took two years and two appeals before he was reversed by a higher court. In one Southern town (this is the highlight of the book) a vigilante atmosphere was whipped up against a Negro housing project.

While it went about planning and building local housing projects, the PWA laid the foundation for the day when the local communities would take the responsibility upon their own shoulders. Model bills providing for the creation of local housing authorities were drawn up and sent to every state. More and more states passed these enabling acts. More and more communities set up housing authorities. Finally, when the Wagner-Steagall bill was passed in the summer of 1937, the USHA took over the PWA Housing Division and low-rent housing was put on a permanent, decentralized basis. Public housing came of age.

THOMAS HUMPHRIES

It's the McKenney

My Sister Eileen, by Ruth McKenney. New York: Harcourt, Brace and Company. 226 pages. $2.

TO GET STATISTICS and such out of the way immediately, there are fourteen (as it were) episodes to the book and it was in The New Yorker that all but one of them first saw print. They're about Ruth herself—and sister. In the opening piece the girls are movie bugs of six and five, respectively, and with each succeeding one they're a little older, a little more calamity-ridden, so that the book has a progression, at least in time. As if it mattered.

The New York adventures, those coming toward the last, are the funniest. It seems there was a Georgian prince who went for dairy farming not wisely, if very well, and Ruth had the bad luck to take his eye, and don't think he

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was slow at pressing his suit. Nor at pressing in his talk, while he was about it, the excellencies of his favorite branch of learning. Another darb is the tale of how Ruth got mixed up with a flock of young Brazilian salts, none of whom could speak English. They dogged her steps everywhere, and she had a real time of it shaking them off.

When it comes to housing, Moscow with its reputedly distressful conditions has nothing on Greenwich Village, if we're to believe "Mr. Spitzer and the Fungus," and why shouldn't we? That's a good one. So is the one about Mr. Randolph Churchill, or the hunting of the lost sock. But apart from "A Loud Sneer for Our Feathered Friends" and possibly "Hun-gah," the sketches based on the childhood experiences of *les McKenney* don't (their humor being more than a little strained) measure up to those already given the nod. Well, yes, "From Rags to Rags" has a couple of laughs in it, only here the girls are old enough to work. And people who go on the theory that the noisier the jest, the funnier, may well split their sides at "The Gladsome Washing Machine Season." As the feller said, there's no accounting for tastes.

Hearsay has it that Ruth, in her time, was a paid abettor to the Baltimore Burly, H. L. Mencken, and her style of writing would seem to support the allegation. For the mark of Mencken is upon it. Proving what? Nary a thing, save that, while her material is essentially feminine, she chooses to beat it out with a slapstick—and who shall affirm (who indeed?) that a lighter, subtler instrument would've enabled her to improve on this job? Not so persnickety, there; laughs in the world (see headlines as of even date) are too few and far between.

FRED R. MILLER

Books: A Reader's List

ALONE THROUGH THE FORBIDDEN LAND, by Gustav Krist, translated by E. O. Lorimer (Harcourt, Brace, $3.50). Record of a year's wandering over the little known terrain of North Persia, Turkestan, the Oxus Valley and the Pamirs. The (late) author, a born adventurer, crashed the "forbidden" Soviet gates under a false name, with borrowed papers, posing as a Comrade Geologist, and had several close shaves. Interesting data on people and customs. Photos.

OUR AMAZING EARTH, by Carroll Lane Fenton (Doubleday, Doran, $4.50). High praise to Mr. Fenton for having written a popular book about geology that entertains without clowning and instructs without vulgarizing. A valuable feature is the attention given to North America, especially the United States. Many good illustrations.

WOMEN IN THE SOVIET EAST, by Fannina W. Halle (Dutton, $4). A richly illustrated narrative of a tour through Soviet Asia. Dr. Halle, a trained sociologist with a remarkable gift for dramatizing facts, has shown not only how but also why the Soviet regime has made possible the liberation of women.

REBIRTH OF MONOPOLY, by William J. Kemnitzer (Harpers, $2.50). Part of a larger study still to come on the problem of monopoly as presented by the petroleum industry. The author, a recognized authority, offers convincing evidence of the tightening control of the twenty major American oil companies. His solution is the not very adequate one of a return to "free competition" and the open market; his facts, however, are exhaustive and damaging.

AMERICA'S YOUNG MEN: VOL. III, edited by Durward Howes (American Publications, $10). The 1938-39 edition of the American Junior Who's Who, containing biographies of 6,532 prominent men of forty or under.

LIFE OF LENIN, by P. Kerzhentsev (International, $2). A conscientious but pedestrian biography by one of Lenin's earliest adherents. Packed with detail of considerable political and historical interest, but suffers from all the faults of the panegyric; and that is a pity, for Lenin needs no incense or halos.

THE LONDON MISCELLANY: A Nineteenth Century Scrapbook, compiled by Robert Harling (Oxford, $3). This collection of odd sources (newspapers, letters, court hearings, journals) has some perfectly fascinating stuff on living, eating, drinking, reading, working and fooling around, together with what was thought about it all. Well illustrated.

SEQUOYA, by Grant Foreman (Oklahoma U., $1.50). A biography of Sequoya who, although illiterate, was so obsessed with the white man's gift of writing that he invented an alphabet for his tribe, the Cherokees.

THE PERIL OF FASCISM, by A. B. Magil and Henry Stevens (International, $2.50). A vigorous and, for the most part, scrupulously documented presentation of the Communist position on American issues, chiefly domestic. Particularly rich in material dealing with the activities of reactionary and fascist groups; uncompromisingly direct in its appeal for a people's front against fascism and war.

BETWEEN SLEEPING AND WAKING, by Dorothy Charques (Macmillan, $2.50). A beautiful, half-mad English girl, her mournfully anxious family and an impressive troop of rustic onlookers, all neatly shuffled in a novel of at least three tiers. The main theme of psychosis is handled with conviction, but its intensity is somewhat diluted by excursions into symbolism, muffled and unconvincing.

PRAY FOR THE WANDERER, by Kate O'Brien (Doubleday, Doran, $2.50). Mostly verbal sparring between a sophisticated but tired playwright and a clever, puritanical woman who refuses to act as his tonic much as she would like to. It all ends without much change in the status on either side; only their emotions take a beating, worn thin in the long and sensitive and well composed discussions.

Contributors

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